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Daily Report

East Asia

FBIS-EAS-95-088
Monday
8 May 1995

Daily Report
East Asia

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Japan

Hashimoto-Kantor Auto Talks Fail at '11th-Hour'

OW0605013195 Tokyo KYODO in English 0127 GMT 6 May 95

[FBIS Transcribed Text] Whistler, Canada May 5 KYODO—Japanese and U.S. trade chiefs failed Friday [5 May] in their 11th-hour bid for an agreement on auto trade amid U.S. threats of sanctions, Japanese officials said.

International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor met for two hours here in a last-ditch stab at agreeing on the remaining unresolved priority issue of bilateral trade "framework" talks, but came up empty-handed, the officials said.

The United States has threatened trade sanctions if the talks failed.

Positions on Auto Talks Listed

OW0605052595 Tokyo KYODO in English 0446 GMT 6 May 95

[FBIS Transcribed Text] Whistler, Canada, May 5 KYODO—The following is a table of positions taken by Japan and the United States in the framework auto and auto parts trade talks, which failed to make a breakthrough at an eleventh-hour meeting between Japan's International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor on Friday [5 May].

Auto Parts Purchasing Plans

U.S.:

- Japanese carmakers should make additional purchases of foreign auto parts under their voluntary plans.
- The Japanese Government should assert direct influence on the private auto sector.

Japan:

- The purchasing plans are voluntary ones made by private carmakers and they themselves say they cannot buy more foreign auto parts.
- It is impossible to accept anything similar to numerical targets.

Deregulation

U.S.:

- Parts such as shock absorbers should be removed from the category of key safety parts.
- A factory for the maintenance of brakes and shock absorbers should be allowed to be established.

Japan:

- Discussions will be made to remove three to four parts from the key safety parts category.
- Approval of a maintenance factory will be given.

Dealerships

U.S.:

- Japanese carmakers should ask their dealers to boost the sales network of foreign cars making use of the "keiretsu" system.
- A target should be set to increase the number of sales outlets for foreign cars within a given amount of time.

Japan:

- Business talks should be held to bring together the "big three" U.S. carmakers and Japanese dealers willing to sell foreign cars.
- To make use of the "keiretsu" system would be going against market principles.
- It is impossible to accept numerical targets.

Hashimoto Stresses Plan To Take Case to WTO

OW0705124295 Tokyo NHK General Television Network in Japanese 1145 GMT 7 May 95

[Announcer-read report over video; from the "NHK News" program]

[FBIS Translated Text] International Trade and Industry Minister Ryutaro Hashimoto returned this evening to Japan, after the Japan-U.S. auto negotiations held in Canada broke down. Speaking with a group of reporters this evening, Hashimoto said: If the United States imposes sanctions against Japan, Japan will counter the U.S. action by immediately taking its case to the WTO [World Trade Organization] and there has been no change in this policy.

[Begin Hashimoto recording] As all of you know, the Japan-U.S. auto negotiations held under the economic framework talks broke down and I deeply regret this situation. [end recording]

Minister Hashimoto went on to say: If the United States imposes sanctions against Japan, the bilateral negotiations will move to the WTO, which bans imposing any unilateral sanctions. Asked by a reporter if it will be difficult for the just-inaugurated WTO to arbitrate the auto trade dispute between Japan and the United States, Minister Hashimoto said: Now that new international trade rules have been formulated, it is a matter of course for the auto trade dispute between Japan and the United States to be settled according to the new international trade rules. Japan will cooperate in having the WTO fully prepare to deal with trade disputes. In this way, he said if the United States announces sanctions against Japan, Japan will counter the U.S. action by taking its case to the WTO and he stressed that there has been no change in this policy.

Further on Hashimoto Comment

OW0705131995 Tokyo KYODO in English 1309 GMT 7 May 95

[FBIS Transcribed Text] Tokyo, May 7 KYODO—International Trade and Industry Minister Ryutaro

Hashimoto reiterated Sunday that Japan will take its trade dispute over autos and auto parts with the United States to the World Trade Organization (WTO) if Washington issues a list of trade sanctions.

But Hashimoto held out the possibility of resuming negotiations with the U.S. over the issue, though the talks broke down Friday when he and U.S. Trade Representative Mickey Kantor failed to reach agreement at the Canadian ski resort of Whistler.

"I'm ready to negotiate anytime if the situation is such that negotiations can be made," Hashimoto told a press conference upon returning from Whistler where he attended a "quadrilateral" trade ministers' meeting.

Hashimoto said the U.S. is to blame for the breakdown in the trade talks, accusing Washington of sticking to its demands for "voluntary" plans by Japanese automakers to purchase U.S. auto parts.

But Hashimoto shrugged off concern that the breakdown in the auto trade talks will affect the bilateral relationship as a whole.

The National Economic Council, a panel of top economic advisers to U.S. President Bill Clinton, hurriedly gathered Saturday and agreed on a set of recommendations to the president.

Kantor said in a statement Saturday that Clinton will shortly make an announcement on the auto trade issue based on the council's recommendations, alluding to the possibility of trade sanctions against Japan.

In a related development, Hashimoto's Ministry of International Trade and Industry sent a senior trade negotiator to Geneva on Saturday in preparation for taking the auto dispute to the Geneva-based WTO, ministry officials said.

Tadakatsu Sano, director of the International Economic Affairs department at MITI's International Trade Policy Bureau, was flying from Canada as he accompanied Hashimoto on his trip to Whistler, they said.

The dispatch of Sano is designed to prepare for bringing the auto trade dispute to the WTO to pave the way for bilateral talks under the auspices of the world trade watchdog, they said. They did not elaborate.

Cabinet Affirms Tough Stance

OW0805030295 Tokyo KYODO in English 0310 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—Prime Minister Tomiichi Murayama's cabinet reaffirmed Monday [8 May] that Japan will bring its dispute with the United States over auto and auto parts trade to the World Trade Organization (WTO) if necessary, government officials said.

Following the rupture of the bilateral talks in Washington over the weekend, Murayama, International Trade and Industry Minister Ryutaro Hashimoto, Foreign Minister Yohei Kono and Chief Cabinet Secretary Kozo Igarashi gathered at the prime minister's office on Monday morning.

They confirmed Hashimoto's policy that Japan will bring the dispute to the world trade watchdog if the U.S. issues a list of Japanese items that would be subject to punitive tariffs under Section 301 of a U.S. trade law, the officials said.

Hashimoto made a detailed report on his negotiations with U.S. Trade Representative Mickey Kantor, and said that Japan cannot accept the U.S. demand to boost the targets for voluntary purchase of foreign automotive products by Japanese automakers.

A government source said separately that Japan will appeal the dispute to the WTO when the U.S. list for punitive tariffs is issued, regardless of the contents.

"European trade partners are all paying keen attention to the Japan-U.S. trade talks," and they will be angry if Japan concedes too much to avoid negative effects, the source added.

Igarashi told reporters later that Japan is willing to continue negotiations with the U.S. if Washington does not press its demand that Japanese automakers boost their targets for voluntary purchases of foreign auto products.

Carmakers Back MITI Rejection of U.S. Demand

OW0605042195 Tokyo KYODO in English 0715 GMT 6 May 95

[FBIS Transcribed Text] Tokyo, May 6 KYODO—Leaders of the Japanese automobile industry on Saturday [6 May] applauded Japan's rejection of a U.S. call for voluntary targets in the purchase of foreign auto parts at framework talks that ended in failure after nearly 20 months of negotiations.

The rejection came during ministerial talks on autos and auto parts trade in Whistler, Canada.

"It is impossible for us to make further concessions in the talks by formulating voluntary targets in addition to current parts-buying programs (set up in April 1994)," said Yoshifumi Tsuji, acting head of the Japan Automobile Manufacturers' Association.

Tsuji, who is also president of Japan's No. 2 automaker Nissan Motor Co., made the remarks in the wake of a failed eleventh-hour meeting between Japan's International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor at the Canadian ski resort town.

An executive official at a major Japanese automaker, who spoke on condition of anonymity, said Hashimoto's rejection of the U.S. demand was reasonable despite some expected disadvantages.

Commenting on possible U.S. sanctions on Japanese cars, the official said the value of Japanese cars on which punitive tariffs are imposed will be small because the sanctions themselves are retaliatory steps against alleged unfair business practices in the Japanese replacement parts market.

"Most Japanese automakers can hold out adverse effects of the sanctions, though they are not negligible, as Japan will probably win the dispute on the issue at the World Trade Organization (WTO)," he said.

Takao Tominaga, vice chairman of the Japan Automobile Manufacturers Association, welcomed Japan's decision not to comply with the U.S. requests in the bilateral trade talks.

"I support the Japanese Government's attitude of sticking to rules and principles," he said. He said it was regrettable that the U.S. "has repeated the assertions it has made before" and that the two sides could not reach an agreement. Tominaga said he hopes the U.S. will "take wise steps" and will not unilaterally impose sanctions against Japan.

Nissan's Tsuji also said in a statement it is "truly regrettable" that the trade talks have broken down "due to continued insistence by the United States that the voluntary purchase plans be increased and revised." Nissan will continue to support the Japanese Government's position, Tsuji said. "We hope the U.S. Government will react sensibly to the breakdown of the negotiations and not take any one-sided measures such as imposing punitive sanctions against Japan."

Automakers Reiterate Opposition

OW0805100995 Tokyo KYODO in English 0951 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—Japan's top automakers stuck by their insistence Monday that they will not meet U.S. demands to buy more foreign parts, saying even the imposition of sanctions against Japan will not change their stance.

Current "voluntary plans" for parts purchases are already "stretched to the limit" and the industry cannot add to them, said Yoshifumi Tsuji, acting chairman of the Japan Automobile Manufacturers Association.

"If it has been taken that we have room" to boost the plans thanks to the high yen and other factors, "that is a mistake," Tsuji, also president of Nissan Motor Co., told reporters as he finished a visit to International Trade and Industry Minister Ryutaro Hashimoto. Even U.S. sanctions would not change the carmakers' plans, he said.

Shoichiro Toyoda, chairman of Toyota Motor Corp. and of the powerful Federation of Economic Organizations (Keidanren), told reporters after a separate meeting with Hashimoto that his company is not considering boosting its plans in the face of possible sanctions.

Toyoda, who ostensibly visited Hashimoto to pay his respects after receiving a government award, said the two spoke about the auto talks only briefly at the end of the visit and never mentioned the possibility of sanctions.

Washington is reportedly readying a list of targets for trade sanctions that it could release as early as this week.

President Bill Clinton has vowed strong action against Japan over a breakdown in auto talks Friday in Canada between Hashimoto and U.S. Trade Representative Mickey Kantor over the U.S. demand that Japanese auto industry increase their voluntary purchasing plan for auto parts if the two nations are to reach a trade deal under a bilateral trade "framework."

If sanctions include tariffs on Japanese luxury cars as has been reported, "it would have quite an effect" on the industry, Tsuji said, but added he does not know if sanctions will be imposed and he wants to watch developments.

He acknowledged that pressure from other industries on the automakers to make concessions "will grow stronger" and that some blame the auto industry for Japan's trade woes and thus partly for the soaring yen.

But automakers disagree with such assessments, Tsuji said, vowing to make a "PR appeal" to other industries to show them that automakers have done what they can. Tsuji said he made no requests of the trade minister, only thanking him for his efforts in Canada.

Toyoda Supports Appeal to WTO

OW0805094495 Tokyo KYODO in English 0934 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—The Chairman of the Federation of Economic Organizations (Keidanren) expressed support Monday for the Japanese Government's plan to take the auto trade dispute with the United States to the World Trade Organization (WTO). Shoichiro Toyoda told reporters at a press meeting, "we should take proper steps and continue talks at the WTO."

Trade talks on autos and auto parts between Japan and the U.S. fell apart last week, and the U.S. is now expected to announce a list of sanctions against Japan. Japanese officials have said they intend to seek a settlement to the dispute at the WTO if the U.S. announces the list.

Toyoda gave credit to the Japanese Government's way of negotiating during the talks, saying they "respected international trade laws by not approving anything outside of government authority that would lead to numerical targets."

He said the U.S. is "going against the spirit of the WTO" by considering sanctions against Japan and urged the U.S. side to respond with good sense for a smooth relationship between the two countries.

Hashimoto: Tokyo To Brief EU on Trade Dispute

OW0805072995 Tokyo KYODO in English 0719 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—Japanese Trade Minister Ryutaro Hashimoto said Monday Japan will brief the European Union in detail on the ruptured Japan-U.S. negotiations on automobile and auto parts trade.

The negotiations broke down late last week after a last-ditch effort to strike an accord on the dispute, one of the thorniest issues in the talks to work out a new framework for bilateral trade.

Hashimoto reported the outcome at a joint session attended by representatives of the government and the ruling coalition parties Monday, officials said.

He was quoted as saying the details of the process will be notified to the nations concerned through the representative office of the ministry of international trade and industry.

Hashimoto's remark indicated that he will report the outcome through bilateral meetings when he attends a ministerial conference of the Organization for Economic Cooperation and Development, the officials said.

The point is whether the Japanese market is really closed to the outside world or if it is permissible for the government of a nation to coerce the private enterprises of other countries, Hashimoto was quoted as saying.

Envoys May Travel Abroad on Auto Talks Stand

OW0805062495 Tokyo KYODO in English 0609 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—Japan is considering sending officials abroad to explain its trade position toward the United States as the threat of sanctions looms following failed auto talks, the nation's top trade bureaucrat said Monday [8 May].

Tokyo will respond "step by step" to actions from Washington, where the U.S. Government is reportedly readying a list of possible sanction targets for release as early as this week after talks broke down Friday in Canada, said Tomio Tsutsumi, vice minister of the Ministry of International Trade and Industry (MITI).

If the U.S. publishes the list, Japan will "think about" filing a complaint with the World Trade Organization (WTO), Tsutsumi told a regular news conference.

Other officials have indicated Japan would go immediately to the Geneva-based trade watchdog, but Tsutsumi reminded reporters that MITI Minister Ryutaro Hashimoto said he wants to watch the U.S. response carefully.

Tsutsumi said Japan was forced to refuse the U.S. demand that Japanese carmakers buy more foreign parts as it violates "major principles" of free trade, but he stressed that Tokyo does not want to "make the issue political" or turn "the feelings of the public" against the U.S.

Japan will "take the opportunity" to explain its position to other countries, Tsutsumi said, and while noting that MITI has many chances to meet with third party countries, he added Japan is considering special dispatches just for the purpose.

U.S. Urged To Accept 'Structure-Based' Talks

OW0605020895 Tokyo KYODO in English 0201 GMT 6 May 95

[FBIS Transcribed Text] Washington, May 5 KYODO—The United States and Japan should launch new structure-based trade talks, visiting Japanese lawmaker Koichi Kato said Friday [5 May], blasting the results-oriented U.S. approach on auto trade.

As the two nations' trade chiefs met unsuccessfully in Canada amid the threat of U.S. trade sanctions over autos and auto parts, the last and by far biggest major issue under a bilateral trade framework, Kato urged a return to talks like those ended in 1990 under the "structural impediments initiative."

In a separate news conference, Muto, the general affairs counsel of the Liberal Democratic Party (LDP) and head of a delegation of ruling coalition party legislators, also announced plans for a bilateral parliamentarian league to discuss U.S.-Japan economic issues.

The Japan study group of U.S. lawmakers will work with the LDP to launch the bilateral group during the current session of Japan's Diet, Muto said, adding that the idea came after meetings with congress members interested in Japan, including Sen. Bill Bradley of New Jersey and Rep. Robert Matsui of California, both Democrats.

On the trade talks, where the U.S. wants Japanese automakers to extend and expand their 1992 plans to buy foreign parts, Kato branded as "incorrect" what he called a U.S. drive for "numerical targets."

"The structural impediments initiative style conforms more suitably to Japan-U.S. relations and is more constructive," Kato told reporters, proposing a new structural negotiation setup to replace the fractious framework talks.

Structure-based talks are preferable, Kato said, as "interest in Japan is increasing over how to achieve deregulation and a distribution and industrial structure that places priority on consumers."

But Kato vowed full support for the Japanese Ministry of International Trade and Industry (MITI) on the auto issue, "including an appeal to the World Trade Organization" if Washington slaps sanctions on Japan.

The auto talks broke down in Whistler, Canada, hours after Muto spoke, when MITI Minister Ryutaro Hashimoto and trade representative Mickey Kantor failed in a last-ditch two-hour meeting to seal an agreement.

Auto and auto parts trade account for 60 percent of the 66 billion dollar annual bilateral trade imbalance, and the sector is the last of the designated priority areas of the framework talks, launched in July 1993 and slated for review this summer.

The structural talks, begun in 1989, aimed at identifying and removing structural barriers to free bilateral trade. They ended the next year with reports on such areas as savings and investment, land use, distribution and procurement practices.

'News Focus' Views Future of Trade With U.S.

OW0605075395 Tokyo KYODO in English 0739 GMT 6 May 95

["News Focus" by Kohei Murayama]

[FBIS Transcribed Text] Whistler, Canada, May 5 KYODO—Japanese and U.S. negotiators made their conflicts clear for observers after a ruptured marathon round of bilateral auto trade talks Friday [5 May] in Canada.

With the failure of the crucial trade talks over the thorny issue of "voluntary" parts purchasing plans by Japanese automakers, the United States could take punitive actions, in effect putting the two nations on the verge of a trade war.

But a similar case in past Japan-U.S. negotiations suggests that the two parties will skillfully defuse the situation by striking an ambiguously worded deal that allows both sides to interpret the outcome as a victory.

Some analysts say that the unprecedented length of time devoted to the talks—nearly two years—may lead Japanese and U.S. policy-makers to drag out their wrangling in a bid to demonstrate at home their efforts and win support for what will likely be a vague solution.

Such a critical point will presumably come sometime around the start of an annual Group of Seven (G-7) summit in Halifax, Canada, in mid-June.

Auto and auto parts trade is the only unresolved priority area under the bilateral framework negotiation agreement up for review. Such a review was stipulated when the agreement was reached between U.S. President Bill Clinton and then Japanese Prime Minister Kiichi Miyazawa during the G-7 Tokyo summit exactly two years ago.

for now, attention is focused on how the U.S. will retaliate with the failed talks. The U.S. has insisted that "other options" would be taken if the talks fail in Canada.

On the eve of the second and final top-level talks after the marathon five-day round of expert negotiations here in the ski resort town of Whistler, Clinton sent a message to his team led by U.S. Trade Representative Mickey Kantor, reaffirming his strong stance to act against Japan.

In a telephone interview from Washington, Clinton reportedly said, "the United States is committed to taking strong actions" if no deal is reached, and Kantor's hard-line stance "is my line, it is my conviction."

After the Friday talks, Kantor told reporters that Washington policy-makers will hold a national economic council meeting this weekend to assess the talks and make a "fairly rapid" decision on "a number of options."

U.S. officials have indicated that one option is to issue a list of items subject to punitive tariffs under a section 301 probe started in October into Japan's replacement parts market.

Japan's International Trade and Industry Minister Ryutaro Hashimoto told reporters that Japan will take up the dispute with the new global watchdog world trade organization for a "multilateral referee" if the U.S. side issues a sanction list.

Rebutting this, Kantor said, "we would welcome in a review by the world trade organization...to determine whether or not those (Japanese) practices are consistent with the Uruguay round."

Acknowledging possible U.S. actions, a senior official of Japan's Ministry of International Trade and Industry (MITI) said that his ministry's "reports from Washington indicate that the U.S. will move forward at least to issuing the list." But the official said, "I personally believe that they will not do so."

He noted that taking sanctions equals admitting a failure in diplomatic affairs, and the Republican Party which has taken over the congressional majority from Clinton's Democratic Party is opposed to sanctions as well as a negotiation strategy of demanding governmental commitment for pushing private-sector voluntary plans.

Echoing such U.S. domestic concerns, Economic Council head Laura Tyson reportedly said the White House policy-makers are considering options, but are not 301 sanctions under the U.S. Trade Law.

The WALL STREET JOURNAL quoted U.S. officials as saying the Clinton administration intends to slap antidumping tariffs on Japanese autos and auto parts with prices not reflecting the yen's recent sharp rise against the dollar.

Kantor refused to "speculate" on the decision for other options, but noted that there are "nine to 10" when pressed by reporters to comment on non-sanction options.

The only way to defuse the situation seems to be either that Japan accept U.S. demands to raise and renew the voluntary plans or the U.S. ease its stance.

Indicating that the voluntary plans have become the thorniest issue, Hashimoto said, "as long as the U.S. does not demand the voluntary plans, we still believe that reaching an agreement is substantially possible."

Kantor neither singled out the plans as the only obstacle nor did he spell out that the U.S. is demanding the Japanese Government solicit automakers to renew and raise their plans.

But the senior Japanese official said that Kantor spent about 80 percent of the first six hours of the talks with Hashimoto calling for the voluntary plans.

The Republican Party is not the only one opposed to the plans, but other major trading partners have also expressed concerns.

Referring to governmental commitments in private-sector voluntary plans, European Commission Vice President Leon Brittan said, "we are not in favor agreements with any of aspects in managed trade."

Speaking at a joint press conference for a three-day "quad" trade consultation also held here in Whistler, Brittan also said that there should be no "discrimination on European trade," apparently placing doubt over the U.S. use of foreign parts.

A Japanese official said many trading partners are worried that raising voluntary plans would lead Japanese automakers to boost U.S. parts while limiting purchases of other foreign parts.

The easiest solution is for Japanese automakers to decide to voluntarily renew their plans, but a resounding 'no' has been issued by the major Japanese automakers on such a request.

U.S. Urged Not To Politicize Auto Talks

OW0705134195 Tokyo ASAHI SHIMBUN in Japanese 7 May 95 Morning Edition p 9

[Article by reporter Yasuki Tabe]

[FBIS Translated Text] The breakdown of Japan-U.S. negotiations on automobiles and auto parts held under the Japan-U.S. economic framework talks, give the impression anew that U.S. domestic issues have deeply affected Japan-U.S. trade talks, and any trade dispute between the two countries can easily develop into a political issue. In the auto talks, U.S. negotiators have taken a hard-line stance because the Clinton administration, eager to have the president reelected in the next election, has the clear intention of seeking support from the auto industry and autoworkers in his reelection. In the auto negotiations, Japan asserted: "Matters out of the government's reach should not be subject to negotiations," but the United States tried to break Japan's resistance to its trade demands until the final round of the auto negotiations.

On 4 May, the day before International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor met to hold the second round of ministerial talks, President Clinton granted an unusual telephone interview to a local newspaper in Detroit, the town of automobiles. In the telephone interview, the President commented on Kantor's tough negotiating stance with Japan and stressed: "His stance is in line with mine and I am convinced that his stance is right."

His statement showed that the latest auto negotiations between Tokyo and Washington have been drawn into domestic U.S. political issues. The Democratic Party of the Clinton administration suffered a crushing defeat in the midterm election held last fall. The Democratic Party lost many Senate seats in Detroit, a traditional stronghold of the Democratic Party.

The American auto industry, which has enjoyed a rise in sales of domestic cars in the past three or four years, certainly faces a downturn in car sales. The Democratic Party administration has to take concerted steps with the auto industry, which hopes to expand the sales of American-built cars on the Japanese market.

A Japanese official in charge of the Japan-U.S. auto negotiations said: "The latest auto negotiations are different from past Japan- U.S. trade talks. We intend to take our case to the WTO [World Trade Organization] to assert our position," (according to a senior official of the Ministry of International Trade and Industry). The official repeatedly made the same challenging statement because he does not want to see the auto trade dispute politicized again by U.S. domestic issues.

In the 1970's, the issue of Japan's imports of beef and oranges flared up because the U.S. administration paid political consideration to American farmers who suffered from the surplus of farm products. In the 1980's, the U.S. semiconductor industry felt a sense of crisis toward Japan's high technology, which rapidly bolstered its competitiveness, and semiconductor friction occurred between the two countries because the U.S. Government echoed the sense of crisis felt by the semiconductor industry.

At the final round of ministerial talks, the United States proposed that Japanese automakers increase their purchase of foreign-made auto parts by 10 percent annually until 1999. As in the past, the United States made the same proposal that Japan could not accept. The United States has not changed its negotiating stance regarding Japan.

What measures will Japan take in the future? It is likely to continue to look for a way to head off confrontation with the United States while "upholding the principle of taking its case to the WTO."

Editorial Views Breakdown of Auto Talks

OW0705135995 Tokyo MAINICHI SHIMBUN in Japanese 7 May 95 Morning Edition p 5

[Editorial: "Tokyo, Washington Urged To Seek Fair Settlement To Their Auto Trade Dispute Through the WTO"]

[FBIS Translated Text] The "Japan-U.S. auto negotiations," which have continued for two years, broke down at long last. The U.S. Government will announce a list of Japanese goods to be hit by punitive tariffs under the Super 301 provision of the 1988 Omnibus Trade Act and the Japanese Government will react to the U.S. Government's action by taking Japan's case to the World Trade Organization (WTO), putting their trade dispute on the agenda of the WTO.

In the auto negotiations, the United States had stuck to the demand that Tokyo increase the voluntary purchase plan for foreign-made auto parts by Japanese automakers, and this is the cause of the breakdown. Our understanding is that setting a purchase target is an effective means to redress the trade imbalance between Japan and the United States, but it is clear that setting the purchase target is out of the government's reach. It is a rule that Japan and the United States must discuss what is within the reach of their governments to do.

Until now, the Ministry of International Trade and Industry [MITI], at Washington's request, has worked to distance itself from any managed trade by reducing its intervention in and its guidance on the business.

In the latest round of auto negotiations, however, U.S. negotiators had demanded that Tokyo increase the number of dealerships selling foreign cars and relax regulations on the use of foreign-made auto parts in order to expand opportunities for foreign companies to gain access to the Japanese market. The United States had made these demands in keeping with the current trend toward market opening. However, U.S. pressure on Japan to increase the voluntary purchase plan for foreign-made auto parts is tantamount to forcing Japan to embrace managed trade.

On the other hand, Japan needs to search its soul over the fact that the trade imbalance between the two countries still remains uncorrected. Japan's huge trade surplus with the United States in the auto sector is an issue. To reduce the trade surplus in the auto sector, Japan should take more drastic measures to reduce its trade surplus with the United States in the auto sector by announcing specific targets for reducing it and plans to halt non- profitable auto exports. The excessive expansion of auto exports entails difficulties which cannot be avoided.

We support the idea of Japan and the United States taking their auto trade dispute to the WTO for arbitration. Ruling on the auto trade dispute between the United States and Japan, the world's first- and second-ranked economic powers, respectively, would be a trial for the WTO. If the WTO successfully rules on the trade dispute, it would serve to establish the authority of the international trade organization.

Japan and the United States must guard against the possibility that the current rift between them over the auto sector would spread to other sectors. They also must avoid behavior and making statements that could fuel emotional confrontations between their peoples.

Japan-U.S. relations are extremely important in such areas as international politics, the global economy, and the world environment. Japan and the United States have nothing to gain but immeasurable things to lose by sacrificing their relations.

There have been many cases in the past in which the U.S. Government has taken unilateral measures under the Super 301 provision of the 1988 Omnibus Trade Act. European nations have taken countermeasures and traded sanctions with the United States. When the United States announced a list of items to be hit by punitive tariffs at the end of U.S.-China negotiations on intellectual property rights, China reacted to the U.S. action by announcing a list of items to be hit by countermeasures.

It is desirable for Japan to deal calmly with the auto trade dispute with the United States in a businesslike manner. If the breakdown of the auto negotiations results in a stronger yen, this would fuel an emotional backlash among the Japanese. We hope that both Tokyo and Washington will give careful consideration to keeping their current confrontation from escalating.

The "numerical targets" sought by the U.S. Government have been so unpopular in the United States that the Clinton administration has suffered a loss of approval. Some congressional leaders have voiced their objections to U.S. demands for the increase in the "voluntary purchase plan."

Japan should redouble its efforts to redress the trade imbalance between Tokyo and Washington. Although the price of Alaskan oil is higher than that of the international market rate, if Japan imports oil in large quantities after concluding a long-term contract with the United States, this would serve to cut Japan's trade surplus with the United States.

To soften the blow dealt by the drastically appreciated yen to domestic industry, it is important for Japan to cut back on dollar-denominated trade and accelerate the internationalization of the yen market.

In the short term, the demand for yen will grow and the currency will further appreciate, but these moves will calm down in the long term. Now that the yen has appreciated to such an extent, Japan should aspire to establish the yen as one of the world's key currencies.

Effects of Auto Talks Breakdown Discussed

OW0805091195 Tokyo ASAHI SHIMBUN in Japanese 7 May 95 Morning Edition p 5

[Editorial: "It Is Good for Tokyo To Take Its Case To the WTO, But..."]

[FBIS Translated Text] The Japan-U.S. auto negotiations held in Canada in parallel with the quadrilateral ministerial trade talks, ended in breakdown. Both sides failed to defuse confrontation over the issue of increasing the purchase of foreign-made auto parts by Japanese automakers.

The United States is supposed to have understood that the purchase of foreign-made auto parts by Japanese automakers is an issue to be resolved between Japanese automakers and American auto parts makers, and cannot be subject to intergovernmental negotiations. In the United States, house speaker Gingrich is opposed the U.S. demand for Japanese automakers to increase the purchase of foreign-made auto parts, and the demand has come under criticism.

The Clinton administration has stuck to the demand because the Japanese auto industry announced a purchase plan three years ago in a bid to cooperate with former President Bush's reelection.

The United States has demanded that the Ministry of International Trade and Industry [MITI] urge Japanese automakers to increase their purchase of foreign-made auto parts by drawing up a new purchase plan. The U.S. demand has gone too far; it is matter of course for Japan to reject it.

Meanwhile, the Japanese automakers are saying: "It is possible to increase our purchase of foreign-made auto parts to some extent." The automakers are moving to boost their purchase of foreign-made auto parts from abroad and increase their production of auto parts in the United States in an effort to deal with the drastically appreciated yen.

If MITI presses the Japanese automakers not to boost their purchase of foreign-made auto parts and increase their production of auto parts in America, this is a kind of managed trade. Washington believes that since the government and private sector in Japan are united as one by regulations and administrative guidance, the only way for Washington to reduce its trade deficit with Tokyo is to press Japan by setting targets. We believe that to eradicate this view of Japan, it is better for automakers to voluntarily announce plans to increase their purchase of foreign-made auto parts.

How will the Clinton administration move in response to the breakdown of the Japan-U.S. auto negotiations? A plan has been mentioned in Washington that the government will "announce a list of Japanese goods" to be hit by punitive tariffs, after initiating procedures under the Super 301 provision of the 1988 Omnibus Trade Act.

In that case, Tokyo plans to break off the Japan-U.S. auto negotiations and bring the bilateral negotiations to the WTO. If the bilateral negotiations to be held under the auspices of the WTO fail to hammer out an agreement, then the auto trade dispute will be referred to the WTO's sub-committee (panel) for final settlement.

The Super 301 provision of the 1988 Omnibus Trade Act has been invoked in 91 cases, an annual average of 4 or 5 cases, since it was first enacted in 1974. In 11 out of the 91 cases, sanctions have been imposed after bilateral negotiations failed to yield an agreement.

European nations and Canada have taken their cases to GATT, the WTO's predecessor, and applied other measurers to counter sanctions imposed by the United States. Japan, however, has chosen not to take such countermeasures, judging that it is undesirable to deepen a rift with the United States with which it has maintained close economic and security ties.

But Japan should no longer take such an attitude. If both Japan and the United States fail to settle their trade dispute after doing all they can, it is good for them to ask the WTO, a "world trade courthouse," to rule on their dispute according to international trade rules. The Super 301 provision has a lot of questionable provisions in light of the WTO accord.

If Tokyo takes its case to the WTO, this will somewhat sour the entire Japan-U.S. relations. We believe this is an inevitable way for the two countries to build a truly mature relationship. In a news conference held after conclusion of the quadrilateral ministerial trade talks, Canadian International Trade Minister MacLaren and Leon Brittan, vice president of the European Union, who appeared sandwiched between Japan and the United States, accused the U.S. saying: "We oppose any attempt to resolve trade disputes through managed trade." They also pointed to "barriers in the Japanese market." We believe this is the general view held by the world.

It is undeniable that the Japanese economy has two aspects of excessive export dependence and closure. These aspects have led the yen to sharply appreciate and strangled Japan. It is important for Japan to seek a coherent trade policy and argue its position against trade demands from Washington. But if Japan does not scramble to reform its economic structure, it will be impossible to end the current vicious circle of yen appreciation and economic friction with its trading partners.

Editorial Views Failed Auto, Auto Parts Talks

OW0805130695 Tokyo SANKEI SHIMBUN in Japanese 7 May 95 Morning Edition p 2

[Editorial: "Japan and the United States Should Remain Calm—Sanctions Will Only Hurt the People of Both Nations"]

[FBIS Translated Text] **"The Folly of Playing Chicken"**

There is a dangerous game commonly called playing chicken in which two cars move toward each other from opposite directions at high speeds until one turns away at the last moment to avoid collision; or two cars head toward a cliff until one of the drivers jumps out of his car at the last moment to avoid falling off the cliff. In either case, the one who makes the first move is the loser.

Japan and the United States recently held negotiations in Canada over the automobile and auto parts sectors under their bilateral framework trade talks. The negotiations that broke down can be compared to this game of chicken. From the traditional U.S. viewpoint, Japan always concedes at the last moment even though it may initially take a hardline stance. However, things turned out differently this time. Japan did not move over to avoid crashing into the United States, which sped on from the opposite direction; or both Japan and the United States remained in their cars and fell off the cliff together.

The latest edition of the British magazine ECONOMIST refers to the global economic turmoil as the result of the world having "entered an era in which countries are playing games." Although it is, as a rule, undesirable for Japan and the United States—two of the world's superpowers in terms of GNP—to clash over trivial matters, we feel that the latest situation should not be taken so seriously and we even dare to say that it should be simply viewed "as a game"—as long as we act calmly and composedly and not be afraid of being misunderstood.

At this point, we would like to take a look at the auto talks' focal points. The major points at issue are: 1) deregulation regarding replacement parts; 2) expanding the network of dealers handling foreign-made automobiles; and 3) boosting Japanese automakers' voluntary purchases of U.S. auto parts. Among these points, the negotiations faced rough sailing over boosting voluntary purchases of U.S. auto parts. When former U.S. President George Bush visited Japan in 1992, Japanese automakers worked out voluntary purchase plans under which they were to "purchase $19 billion worth of foreign auto parts in FY94."y

However, in the subsequent framework trade talks, Japan and the United States agreed that intergovernmental agreements would only cover "areas within the scope of government control" and "private- sector agreements will not be taken up on the agenda in intergovernmental negotiations." Recently, however, the United States changed its attitude, saying: "There can be no agreement without a boost in voluntary purchases." It has been reported that U.S. Ambassador to Japan Walter Mondale visited Japanese automakers and urged them to boost their voluntary purchases of U.S. auto parts. Moreover, U.S. Trade Representative Mickey Kantor reportedly pressed Japanese trade officials in the latest negotiations, saying: "The Japanese Government should determine the volume of U.S. auto parts imports and the quota for each Japanese automaker in terms of money."

Setting Numerical Targets Is an Unreasonable Demand

U.S. officials have obviously gone too far in taking such action. In its current state, Japan is certainly a nation dominated by bureaucrats. However, Japanese automakers like Toyota Motor Corporation and Nissan Motors Co., Ltd. surely are not purchasing foreign auto parts under Ministry of International Trade and Industry orders. The world economy has entered an era of megacompetition with the dollar's exchange rate falling to the 80-yen-to-the-dollar level. Under the impact of international competition, the Japanese auto industry's keiretsu system has begun to collapse. The time has arrived where Japanese automakers can no longer survive unless they go on buying cheap but quality auto parts regardless of whether they are domestic or foreign made.

This is not the first time that U.S. President Bill Clinton's administration has insisted on setting numerical targets as a way to open Japanese markets to foreign access. What is behind such insistence is an understanding that U.S. firms face discrimination in Japan because Japanese capitalism is peculiar, Japanese firms' activities and laws and regulations governing their activities are different from those in the United States and European countries, and market economy principles fail to apply here.

However, it is desired that such a misconception of reality be corrected. Riding the current waves of the so-called price destruction, U.S. and European automobiles are infiltrating the Japanese market at an incredible pace. The number of cars imported to Japan totalled a record 45,105 units last March, continuously increasing for the 15th consecutive month. Among these, the sales of cars made by U.S. Ford Motor Company, Germany's Opel, and the U.K.'s Rover doubled over the same month in the previous year.

Given such a circumstance, we wonder whether setting numerical targets might lead to the adoption of managed-trade tactics under the pretext that government intervention is necessary for the attainment of goals, while ignoring Japan's efforts toward deregulation and the process of intercorporate cooperation between Japanese and U.S. firms toward improved market access. Moreover, in the event that Japan should decide to accept setting numerical targets, it must be said that such an action will not only have serious impact on the United States but also on new developing economies in Asia.

Following the breakdown of the trade negotiations, the U.S. Government convened a National Economic Council (NEC) meeting on 6 May and decided to impose sanctions against Japan under section 301 of its trade law. President Clinton is to announce the sanctions list (of Japanese items that would be subject to 100 percent punitive tariffs and expected to exceed $1 billion in annual trade). If the United States should resort to sanctions, Japan plans to break off the negotiations and file a complaint with the World Trade Organization (WTO). However, it would be the peoples of Japan and the United States who would suffer the consequences of such a trade war. Because the composition of Japanese and U.S. products are intertwined, both nations will seriously suffer should either side cut off supplies to the other. Parts and capital goods account for more than half of Japan's automobile-related exports to the United

States. The Japanese and U.S. Governments should pour their utmost efforts toward resolving the issue before the June Halifax summit.

Editorial Urges WTO Settlement on Auto Dispute

OW0805132195 Tokyo YOMIURI SHIMBUN in Japanese 8 May 95 Morning Edition p 3

[Editorial: "Tokyo, Washington Urged To Seek Settlement to Their Auto Dispute According to WTO Rules"]

[FBIS Translated Text] Upon receiving a set of recommendations from the National Economic Council following the breakdown of the Japan-U.S. negotiations on automobiles and auto parts, the U.S. Government will soon announce a list of Japanese goods to be hit by U.S. punitive tariffs.

The Japanese Government has made it clear that if the U.S. Government announces the list, it would seek to hold bilateral negotiations in accordance with the Accord of the World Trade Organization (WTO).

Both Tokyo and Washington are obligated to comply with a call from the WTO for holding the bilateral negotiations before either of them imposes sanctions against the other.

Other interested member nations of the WTO are able to attend the bilateral negotiations and the possibility has grown that the Japan-U.S. auto negotiations will move to a multilateral negotiating forum.

We do hope that the governments of Japan and the United States will quickly settle the auto dispute in the bilateral negotiations to held under auspicious of the WTO.

If Washington decides to impose sanctions against Tokyo, Tokyo will take its case to the WTO and it will take at least six months before the WTO Sub-Committee on Trade Dispute rules on the Japan-U.S. auto trade dispute. The possibility is strong that Japan will take countermeasures against sanctions imposed by the United States. This situation would have a negative impact not only on Japan-U.S. economic relations, but on the entire range of relations between the two countries.

In the auto negotiations, Washington has insisted on increasing the purchase of foreign-made auto parts by Japanese automakers and this U.S. insistence was the cause of the breakdown of the auto negotiations.

Whether or not to increase the purchase of foreign-made auto parts must be based on the independent judgment of each Japanese automaker. The question of increasing the purchase of foreign-made auto parts by Japanese automakers is a matter beyond the Japanese Government's reach. The Japanese Government agreed in early January to resume auto negotiations with the U.S. Government on the condition that the question of increasing the purchase of foreign-made auto parts by Japanese automakers not be put on the negotiations agenda. The U.S. Government is supposed to have fully understood this condition.

In the ministerial talks, the United States insisted on putting the question of increasing the purchase of foreign-made auto parts on the agenda of the talks. This insistence led the auto negotiations to break down despite the possibility that Japan and the United States can strike a deal on Japan's relaxation of regulations on the use of replacement auto parts and Japan's increase in the number of car dealerships selling foreign-built cars.

In the auto negotiations, American negotiators have demanded that the Japanese Government urge Japanese automakers to increases their purchase of foreign-made auto parts and this demand runs counter to the trend of deregulation and trade liberalization.

In response, Leon Brittan, vice president of the European Union, criticized the U.S. negotiating stance, saying: "We cannot agree on any deal like managed trade." In the United States, House Speaker Gingrich, in his letter to the President, has warned that the U.S. demand on Japan goes against the principles of free trade.

The U.S. Government should listen to the criticism at home and abroad against its demand and change the tough stance on Japan.

In economic talks with the United States, Japan has repeatedly settled trade disputes by compromising after bowing to pressure or the threat of sanctions.

Now with the WTO, which was inaugurated in early January with the mandate of liberalizing world trade in the 21st century, it is desirable for Japan to alter its past negotiating stance and make clear that it will seek to settle all trade disputes with its trading partners under multilateral trade rules.

If Tokyo only stresses the unfair aspects of what Washington asserts, this would not serve to resolve trade disputes between the two countries.

European nations and other WTO member nations have frequently pointed out that Japan must work to reduce its huge trade surplus. If Japan fails to persuasively explain how it is going to cut the huge trade surplus, no headway will be made in the bilateral negotiations to be held under auspicious of the WTO.

In April, the government decided on an emergency package of yen-curbing and pump-priming measures which was primarily aimed at implementing the five-year plan for the relaxation of regulations ahead of schedule, flexibly expanding domestic demand, and rebuilding the economic structure. The government has to quickly implement the package in order to head off fresh frictions between Tokyo and Washington.

Tokyo Urged To Take Lead in Trade Issues

OW0805122695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 May 95 Morning Edition p 1

[Article by economic reporter Shoji Shinohara]

[FBIS Translated Text] Whistler, Canada—Japan-U.S. talks on autos and auto parts under the framework trade negotiations recently collapsed because the two sides failed to resolve confrontation over the U.S. demand that Japanese car makers make additional purchases of U.S.-made parts under voluntary plans. The rupture of the talks represents Tokyo's departure from its conventional negotiating style in trade discussion with Washington, in which the government, bowing to U.S. political pressure, eventually make compromises after persuading Japanese industries to accept U.S. demands. However, Japan still bears heavy responsibility because of its huge trade surplus and insufficient market liberalization and deregulation efforts. Only after solving such structural problems, will Japan be able to find a way toward establishing a new trade relationship with the United States.

"Make a Political Decision"

On 3 May, International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative (USTR) Mickey Kantor were sitting face to face in a small conference room at a hotel in Vancouver, Canada. They were each flanked by more than 10 bureaucrats accompanying them. About two hours after the negotiations started, Kantor told Hashimoto: "Let us talk outside." In another room, Kantor said: "You are the last resort. Please make a political decision."

Earlier, the U.S. Embassy in Japan informed the USTR's office: "If the talks collapse, the yen may surge temporarily. This possibility will urge such forces as the Liberal Democratic Party [LDP] to press the government to reach an agreement with Washington." Because of this information, the USTR expected that Hashimoto would eventually make a political decision.

However, before leaving for Vancouver officials of the Ministry of International Trade and Industry [MITI] met with LDP and New Frontier Party executives and told them: "Even if the yen surges temporarily, the exchange rate will soon be back to the current level," and "Approval of managed trade will deal a heavier blow to Japan than the stronger yen." In this way, MITI contained domestic moves to seek political settlement of the talks before they emerge.

Past Disputes Settled "in a Vague Manner"

The collapse of the talks was mainly due to Washington's insistence in its demand that Japanese automakers increase their procurement of U.S.-made parts. But it can be said that it was the Japanese Government which made the United States expect that "Japan will accept the demand in the end."

In the past, Japan settled trade disputes with the United States, including semiconductor talks, in a vague manner. When Washington instituted sanctions against Japan in 1987 in connection with semiconductor trade, MITI tried to bring the case before the GATT. But it did not take such action based on a "high-level political decision." In the recent auto talks, the point at issue was the U.S. demand that Japanese car makers procure more U.S.-made parts. The issue originates in the voluntary procurement plans which Japanese makers worked out when asked by MITI during a visit to Japan by former U.S. President George Bush in 1992.

This time, MITI said "no" to a U.S. call for revising voluntary procurement plans and indicated intention to file complaints with the World Trade Organization (WTO) against U.S. moves to impose sanctions on Japan. Washington apparently failed to read the change in MITI's stand, but it was inevitable.

Washington appears to have several options if Japan brings the dispute to the WTO. They include issuing a list of items liable to sanctions in such fields as the monetary sector, which are not subject to discussion at the WTO, or "filing complaints with the world trade watchdog about Japan's closed-nature business practices," (as stated by Kantor).

Meanwhile, the U.S. Congress is expected to adopt a bill "to declare withdrawal from the WTO if a panel in the organization makes a decision three times that is unfair to the United States." Mitsuo Matsushita, a professor at Seikei University, said: "There is a high possibility that Japan will win in the auto trade dispute if it brings the case before the WTO. But it is not wise to force the United States into a corner and offend Congress." Settling trade disputes at the WTO indicates that a new age is coming, but the method will not be a universal antidote.

The uncompromising attitude taken by Japan in the recent talks may also offend the general public in the United States. Last month, BUSINESS WEEK published a feature article warning of Japan's inclination toward Asia and the possible expansion of Japanese-style regulations in Asia. The U.S. Commerce Department shares the same sense of alarm with the journal.

The two countries planned to conclude the Framework trade negotiations, which began in July, 1993, at a Japan-U.S. summit meeting to be held during the summit of the G-7 nations scheduled for June. They were also to agree to hold follow- up meetings at the summit. However, because of the rupture of the auto talks, which are a priority sector in the Framework discussions, the entire negotiations have been suspended.

The Framework Trade Talks, which started based on an agreement between the Clinton administration and the former Miyazawa government, had the characteristics of managed trade from the beginning, with Washington clinging to its demand that Japan set numerical targets. Whether or not the Japanese Government should urge domestic car makers to revise their procurement plans to buy more U.S.-made parts was also the point of contention in the recent auto talks. The inauguration of the

WTO and the global flows of deregulation and marketism have made negotiating tactics in the framework talks obsolete.

President Clinton said: "The U.S. deficit in autos and auto parts trade with Japan has reached $36 billion, which accounts for 60 percent of the entire U.S. deficit in trade with Japan." Because of this, the two countries have treated auto talks as a priority sector. But many people claim that it is nonsense to discuss the trade balance focusing only on a specific item. There is no other way for Japan to reduce its huge trade surplus than implementing macroeconomic policies, such as expanding domestic demand and promoting deregulation.

Japan Said No, But....

The recent quadrilateral trade talks were overshadowed by the collapse of Japan-U.S. auto talks but trade ministers from the United States, Canada, Japan, and the European Union agreed to tackle the issues of promoting deregulation, which was proposed by Hashimoto and Kantor, and unifying trade standards, certification procedures, and investment regulations. It is important for Japan to take the lead in tackling these tasks. Japan said no to the U.S. demand that could lead to managed trade. Then how does Japan intend to reduce its trade surplus? Japan should now realize that showing determination and specific measures to rectify its trade imbalance will lead to the solution of domestic problems, such as the appreciation of the yen and the price gap on goods between Japan and abroad.

'Endless' U.S. Trade Talks Reviewed

OW0705080195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 May 95 Morning Edition p 5

[Article by Hideo Tamura, editorial board member: "No End Seen To Japan-U.S. Trade Talks; U.S. View of Japan as Being Idiosyncratic Is Not Changing"; first paragraph is NIHON KEIZAI SHIMBUN introduction]

[FBIS Translated Text] The Japanese-U.S. economic relationship is like a shaky, gigantic active fault. Every time problems arise such as those over autos and auto parts, a cleft occurs, starting a big earthquake. We will take a look at what has happened in the background to the endless trade talks between the Japanese Government and the Clinton administration.

In mid-April, when vice-ministerial talks on autos and auto parts were held in Washington, Undersecretary of Commerce Jeffrey Garten asked Yoshihiro Sakamoto, deputy vice-minister of international trade and industry, "have Japanese auto manufacturers intervened to promote sales of foreign vehicles in Japan." When the Japanese delegate inquired what that meant, Garten reportedly said: "It means that, for instance, having Toyota Motor executives in charge of sales constantly watch and make sure Toyota-affiliated dealers achieve their foreign-vehicle sales targets."

Meanwhile, U.S. Trade Representative (USTR) Mickey Kantor asked Japan to exercise administrative guidance in urging Japanese auto manufacturers to buy more foreign-made auto parts, saying: "The Japanese Government has a responsibility to display its leadership—though not legal power—in urging the auto industry to agree on voluntary purchase plans."

The United States' demands appeared to be full of contradictions. On the one hand, it criticized Japan's business groups as being too closed, but, on the other hand, wanted the manufacturers to put pressure on their dealers to sell foreign vehicles using the ruler-and-ruled relationship. Furthermore, while that country insisted it did not ask for numerical targets and complained about government getting involved in business matters, it demanded Japan "upscale the voluntary purchase plans."

The first round of Japan-U.S. economic framework talks were held in July 1993 between the Miyazawa government and the Clinton administration, inaugurated earlier that year. The talks came to an agreement in late September—after much rough going and with the sector on autos and auto parts excluded. As far as the issue of purchasing auto parts in the auto sector was concerned, Ryutaro Hashimoto, minister of international trade and industry, got USTR Kantor to agree to not include it in the topic of government-level talks, as it "lies outside the reach of the government." But that agreement was never kept.

To begin with, the economic framework talks started because the United States thought "Japan is idiosyncratic." According to a report in the 1 June 1993 issue of the WALL STREET JOURNAL, Laura Tyson, then chairperson of the Council of Economic Advisors (now special assistant to the President in the National Security Council) said: "Japan's capitalism is different from capitalism as understood by the United States or Europe." USTR Kantor, meanwhile, is a supporter of the view of Clide Prestowitz, director of the Economic Strategy Research Institute, who believes the Japanese are idiosyncratic. Kantor does not hesitate to declare: "I am in contact with Mr. Prestowitz all the time." Prestowitz is convinced that the rules of Japanese markets are different from those of the United States and Europe, and that negotiations based on conventional rules, however much effort may be put into them, will never be effective in regaining a balance in Japan-U.S. trade.

Undersecretary of the Treasury Larry Summers, who is generally known as free trade advocate, had a chance to tour a hospital in a poor district of Africa's Ivory Coast while he worked for the World Bank. Later on, when he visited Japan, he complained: "There was an expensive Japanese-made CT [computerized tomography] scanner covered in dust sitting there, even though the hospital did not even have daily-necessity medical devices like syringes. Why does Japan do something like that?" Since then, he has continued to criticize Japan, saying: "Japan's large trade surplus has driven the world economy into chaos."

Some key people of the Clinton administration believe that free trade rules do not function in Japanese markets, and they have sought to devise a system to set numerical targets and to have Japan abide by them. That was the intent of the economic framework talks.

The Japanese Government, however, has resisted such attempts to apply supra-market-economic rules on Japan by its peculiarly bureaucratic way of dealing with things one by one, which one Foreign Ministry official called a tactic of "destroying demands for managed trade practices and numerical target setting steadily and one by one." As justification for its stand Japan has cited GATT's free trade rules, and its argument has prevailed over that of the United States, which wants to set market shares for foreign products in advance as well as targets for purchasing from overseas.

But the U.S. Government (Undersecretary of Commerce Jeffrey Garten) continues to say: "We want to be able to measure results in all areas of the agreement. We want to measure progress on a regular basis, and to pass objective judgment using numbers." The honest intent of the United States is that there is no alternative but to go after results in order to compel Japan to open up its markets and reduce its surpluses. This position has not changed a bit in the past two years of negotiations.

When talks on automobiles ended in failure on 18 April, President Clinton hit out at Japan, saying: "Japan has a well-organized protectionist system." As long as the United State fails to abandon its distrust of the Japanese-style market economy, friction between the two countries will not die down, whatever long and voluminous agreements may be composed to deal with issues in individual economic sectors.

Given these conditions, voices were heard in Japan calling for deregulation and liberalization to improve on, and correct the closed nature of the markets. The Clinton administration also suddenly began talking about Japan's need to "deregulate" and "liberalize its markets for the benefit of its consumers" after the first round of Japan-U.S. economic framework talks ended in September last year.

The Japanese Government then came up with a small deregulation plan, though this did not allay friction with the United States, to which the plan looked only to be proof "Japan is stingy." To the United States, the plan "contained measures convenient only for Japanese firms." So, it has ended up only inducing the U.S. Government to want to put more meat in the plan.

Leadership Urged To Forge Better U.S. Ties

OW0805030595 Tokyo ASAHI SHIMBUN in Japanese 7 May 95 Morning Edition p 1

[Commentary by Yukio Okamoto, representative of Okamoto Associates]

[FBIS Translated Text] Today, relations between Japan and the United States look odd, just like random local battles lacking a comprehensive strategy. Bureaucrats tend to conflict with one other if no supervision is exercised. Japanese and U.S. bureaucrats harbor an ever-stronger distrust of each other. Politicians must take the initiative to better the situation.

Before the inauguration of the Clinton administration, Japan and the United States carried on the Structural Impediments Initiative talks. At that time, the difficult negotiations were settled at the initiative of former President George Bush and former Prime Minister Toshiki Kaifu. However, such political leadership is not observed in today's Japan. The United States is wondering if the Japanese Government is really fulfilling its functions, as the government showed a poor response to the Great Hanshin Earthquake and some other national crises.

If things are not changed, the Japanese market will be shaken by the high yen rates. The United States is not concerned about the weak dollar because it can obtain cheap imported goods from China and other countries. In my view, changes in foreign exchange rates can settle the trade imbalance between Japan and the United States over the next two years. Japan will have to practice patience until then.

Results of Tamazawa-Perry ACSA Talks Viewed

OW0605083795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 May 95 Morning Edition p 2

[By Tetsuro Kosaka]

[FBIS Translated Text] Washington, 2 May—At the Japan-U.S. defense summit on 2 May, Defense Agency Director General Tokuichiro Tamazawa officially announced for the first time the Japanese Government's intention to seek an early conclusion of the acquisition and cross-servicing agreement (ACSA). Also, Tamazawa and his U.S. counterpart agreed on bilateral cooperation in UN peacekeeping operations [PKO]. The two nations are going to reinforce their security cooperation.

The ACSA is designed to allow Japan to offer refueling and other services to U.S. Forces. The Japanese Government had been taking a prudent stance toward conclusion of the ACSA because of Japan's legal restrictions on the use of collective defensive rights. The Defense Agency is currently planning mutual servicing of fuel, foodstuff, and transportation in joint exercises in peacetime. However, the ACSA could be used as justification for Japan's logistic support of U.S. military operations in the region if, for instance, the Korean peninsula situation worsens. So, the ACSA will have an important influence on future implementation of the Japan- U.S. Security Treaty.

Japan has been working independently on UN PKO. From now on, however, Japan will have more chances to tie up with the U.S. Forces in such fields as communications and transportation. In the future, bilateral cooperation in UN PKO may lead to "Japan-U.S. security cooperation on a global scale."

The acceleration of Japan-U.S. security cooperation is partly because of U.S. demands for Japan to contribute more in this field. In the East Asia strategy report released last February, the United States clearly noted "Japan's new role in the world is to make greater contributions to regional and global stability." Moreover, Japanese and U.S. defense officials are seeking steady reinforcement of the bilateral security alliance to check the spread of a post- Cold War trend questioning the necessity of the Japan-U.S. Security Treaty.

However, the two nations should open debate on such conflicting issues as burden-sharing of expenses for U.S. Forces Japan [USFJ] and property rights to defense-related technology. It is difficult for the coalition government to accept a U.S. proposal to assume a larger share of USFJ expenses. The future courses of defense cooperation with the United States is likely to become a new difficulty for the Murayama administration.

During his U.S. trip, Tamazawa clearly redefined the objective of the Japan-U.S. Security Treaty in the post-Cold War period as being to seek "stability in East Asia," and proposed new cooperative relations between the two nations. However, it is still uncertain whether political circles and the public will build a national consensus to follow the sudden development of bilateral security ties.

Editorial Urges End to Cold War Security

OW0705103095 Tokyo ASAHI SHIMBUN in Japanese 3 May 95 Morning Edition p 15

[Editorial: "Japan Urged To Break Away From Cold-War Type Security"]

[FBIS Translated Text] The most dramatic change that has continued to take place in the post-Cold War world is East Asian growth. No one seriously forecast 10 years ago that the "scale of the economies of China, South Korea, and Southeast Asia combined would reach a par with the U.S. economy in 2010." Plants and markets in Asian nations, which were targeted by Japanese aggression in the past, are now becoming a powerhouse able to move the world economy.

How should the Japanese, who live on an island nation located on the eastern edge of Asia, respond to this change?

Among other things, the Japanese should deepen interdependence with their Asian neighbors and help them develop their economies. This effort will help democracy take root in Asian nations and stabilize their external policies, thereby bringing peace to the region.

At the same time, Japan should help Asian nations create an environment for firm security. For the economy and society to develop, peace is indispensable. The time when Japan, with the United States, only concentrated on sounding the alarm about the "threat from the Soviet Union," is long over. Japan should think of how to put forth plans for lasting peace and prosperity in East Asia, which has entered a new age. Japan's diplomacy is being more questioned than ever.

We believe that Japan should accomplish the following three tasks:

First, Japan should show its resolve not to repeat posing a military threat to its Asian neighbors by promoting its disarmament and participating in UN Peacekeeping Operations (PKO). Japan also should continue efforts to get rid of Asia's wariness of it.

Second, to head off conflict in the region, Japan should deepen the trust of Asian nations by holding various multilateral dialogues and consultations. Japan should fully use the results of these efforts to form an Asian version of the Organization on Security and Cooperation in Europe (OSCE), which aims to promote the maintenance of peace, disarmament, and security cooperation in Asia.

Third, in parallel with these efforts, Japan should promote the reassessment of the Japan-U.S. security arrangements. The security arrangements were initiated to contain the Soviet Union. Japan should try to reform them into a framework under which Japan can serve to build a peaceful Asia while following its own path as a pacifist nation.

Hope and unrest coexist in the region. For now, the danger of conflict is abating, but the root of conflict still remains.

North Korea's closed and military-oriented policy is a matter of serious concern. The feud between China and the Philippines over the Spratly Islands is related to oil resources. Sino-Taiwan relations remain subtle.

Southeast Asian nations are very wary of China's future moves. The nations are concerned that China will one day use its military power to embark on a hardline diplomacy.

For this reason, many Asian nations have welcomed the U.S. Government's policy of keeping 100,000 American troops deployed in East Asia and the Asian-Pacific region over the next 10 years.

Many are worried that if China poses a military threat, Japan would become a military superpower to counter the threat. Under this situation, Southeast Asian nations are hurriedly importing advanced weapons and modernizing their armaments.

To effectively end the chain reaction of distrust and armament, it is important to create a framework under which Asian-Pacific nations remove the cause of conflict and defend peace while cooperating with nations in other regions.

An experiment has begun on linking the eagerness for economic "integration" with this direction. ASEAN's "Asian Regional Forum" (SRF) has been formed to enable almost all Asian and Pacific nations involved in regional peace to hold a multilateral dialogue.

Japan, the United States, and South Korea have jointly formed the Korea Energy Development Organization in a bid to clear up the suspected North Korean nuclear development and China supports it. This is a new attempt to ensure security in the region. The Asia-Pacific Economic Cooperation [APEC] forum's political weight will grow.

To develop a regional security system, dialogue and talks must be held incessantly to discuss various issues facing the region.

For example, China's neighboring nations must hold talks to discuss how they can cooperate with China to resolve that country's environmental and air pollution issues. Labor force migration is underway in the region. If nations in the region hold talks on labor market and working conditions, this would prevent the current economic differentials between nations in the region from triggering friction among them. Space development cooperation and the expanded exchange of students among nations in the region will serve to build confidence among them.

The Japanese Government has been promoting security dialogues with Russia and China. The Japanese Government should seek to hold six-nation security talks attended by Japan, the United States, China, South Korea, Russia, and even North Korea. Holding such multilateral security talks is significant in moving forward the Northern Territories issue. In addition, Japan can contribute to preparing for international cooperation in ending the Spratly Islands dispute, ensuring maritime traffic, and providing relief for disaster victims.

By making continued efforts to that end, Japan will be able to create a regional system under which the transfer of weapons into the region and armament in the region are registered and the relations of trust are built among nations in the region by the disclosure of policies and information. Japan should hurriedly use the ARF as a forum to discuss ways to create an organization participated in by all regional nations.

To that end, China's active involvement and the maintenance of friendly relations between the United States and China are indispensable. Urging the two countries to move in that direction is an important role to be played by Japan.

There is another task that Japan has to accomplish. That is to reduce the nuclear threat in the region. Japan, in concert with nonnuclear nations and Southeast Asian nations, should hold talks with the United States, China, and Russia to discuss how to prevent the use of nuclear weapons and regulate their deployment in the region while rendering assistance to denuclearizing the Korean peninsula. This is the first step toward turning the Asian-Pacific region into a nuclear-free region. This also is a way out of the U.S. nuclear umbrella for Japan. Many nations in the region hope that their region will be nuclear free.

Conventional military alliances do not work in dealing with new threats from disputes over resources and territory and the destruction of the environment. In East Asia where various nations assemble, it has been hard to create a framework to replace those military alliances. The bilateral alliance formed between Japan and the United States during the Cold War is still a key player in the region.

For nearly half a century, Japan-U.S. security arrangements and NATO have been a fortress against the Soviet Union. The "reassessment" of the security arrangements is under way within the U.S. Government in a bid to get the security arrangements to continue maintaining regional stability.

The U.S. Government should fully study whether these security arrangements will be able to serve to ensure lasting peace in the region.

Looking back over history, there is no doubt that the security arrangements have stabilized Japan-U.S. relations and provided the foundation for Japan to move into the U.S. market and achieve the economic development that is called a miracle. In fact, the notion has existed in the United States and Asia that Japan has been able to defend its pacifist constitution without becoming a military power thanks to the security arrangements.

Meanwhile, contradictions in the security arrangements must not be overlooked. Although Japan is said to be able to defend itself with a lightly armed force thanks to the Japan-U.S. Security Treaty, pressure from Washington on Japan for building up military strength in the eighties has resulted in overly expanding the size of the Self-Defense Forces, thereby increasing wariness in Asia of Japan.

In truth, the ambiguity concerning the action of U.S. forces in Japan beyond the scope of the "Far East" and the nature of prior consultations in the Japan-U.S. Security Treaty has hurt the health of Japan-U.S. relations. Japan has spent a large amount of money to share the cost of maintaining U.S. forces in Japan and this shows that the Japan-U.S. security arrangements have taken a bilateral nature. Japan has been unable to independently conduct its diplomacy toward neighboring nations out of consideration for the U.S. military strategy. This has brought about an unmeasurable "negative effect."

The Japan-U.S. security arrangements might have been an inevitable choice Japan made to return to the international community and develop its economy under

U.S. protection during the post-war years. Japan's participation in the military alliance with the United States, which has the potential of drawing Japan into a war waged by the United States, is a transitional and exceptional choice in light of the Constitution's ideals. Both Japan and the United States need to seek a change in their security arrangements as long as many nations in the region hope for the presence of U.S. troops as a deterrent to conflict and for assistance from Japan. Those nations fear the emergence of instability in the region that could stem the trend of detente.

There is something with which the Japanese Government needs to come to grips immediately. First, the government should work on streamlining U.S. forces on Okinawa, which have posed a major burden on the Okinawans. The government should work to reduce noise from U.S. military aircraft flying in and out of air force bases in many parts of Japan. The Japan-U.S. Status of Forces Agreement, which is very lenient regarding U.S. forces' use of military installations in Japan and their training compared with a relevant NATO agreement, needs to be reexamined. The security arrangements and the Japan- U.S. joint operations plan, which have been shaped by the premise of the Cold War, should be reviewed. This is the work of removing the "negative effect" in the security arrangements.

Second, the deployment and preparedness of U.S. forces in Japan should be put on the agenda of the ARF and other regional multilateral talks. This will increase the effect of heading off regional conflicts and prevent a situation where action taken by U.S. forces in Japan causes regional uneasiness.

The only way to ensure regional security is for nations in the region to make continued efforts to prevent conflicts and create a comprehensive collective security system with the mandate of imposing sanctions and maintaining peace, although a significant amount of time is required to do so.

A close relationship between Japan and the United States will continue to be the most important asset for Japan. As economic powers, Japan and the United States should cooperate with each other in providing aid to developing countries and spurring growth in the world economy. The significance of their cooperation will never be seen lightly. The world security regime led by the United States will gradually lose its importance in the next century. U.S. military involvement in East Asia will undoubtedly be reduced. Japan should seek to build a full-fledged regional security system while seeking cooperation from the United States. This is to prepare for the time when the world security region loses its importance.

Trade Ministers: Forex-Auto Talks Not Related

OW0505230795 Tokyo KYODO in English 2217 GMT 5 May 95

[By Kohei Murayama]

[FBIS Transcribed Text] Whistler, Canada, May 5 KYODO—Japanese and U.S. trade ministers said Friday [5 May] that bilateral disputes over auto trade have no major relations with gyrations in the dollar-yen rate.

Japan's International Trade and Industry Minister Ryutaro Hashimoto said the auto trade talks "should essentially have the minimum limited impact" on currency rates, arguing against market dealers that have referred to the auto disputes as the cause of recent currency fluctuations.

"I believe America also shares the view and is making all efforts" to stem the dollar's fall, Hashimoto stressed.

Denying a U.S. strategy of fanning the yen's rise against the dollar to address trade imbalances, U.S. Trade Representative Mickey Kantor said, "whether the yen was weak or high, (U.S. auto trade) deficit has persisted."

The two ministers were speaking at a joint press conference after a three-day "quad" trade meeting here in the ski resort town of Whistler near Vancouver, along with their Canadian and European Union counterparts.

Hashimoto and Kantor are to hold a second round of talks later Friday in a final bid of the five-day round of expert and top negotiations to resolve the lingering auto trade disputes.

At the first round Wednesday in Vancouver, the two ministers failed to reach a breakthrough amid heightened wrangling over a U.S. demand for "voluntary" plans by Japanese automakers to boost foreign parts purchases.

Muto Says Rubin Blames Tokyo for Yen Rise

OW0605004795 Tokyo KYODO in English 2341 GMT 5 May 95

[FBIS Transcribed Text] Washington, May 5 KYODO—U.S. Treasury Secretary Robert Rubin told Japanese lawmakers Friday [5 May] that their country, not U.S. interest rates, is to blame for the soaring yen, a delegation leader said.

Citing evidence that the U.S. economy is slowing and thus not in danger of inflation, Rubin indicated the Federal Reserve will not raise interest rates and instead said insufficient efforts by Japan to open its markets have forced the yen higher, said Kabun Muto, general affairs counsel of the Liberal Democratic Party (LDP).

He also quoted Fed chief Alan Greenspan as playing down the effect of currency market interventions and Vice President Al Gore as strongly urging Japan to open its auto market.

Muto and other powerful members of the governing coalition parties are in the United States to seek support for Japan's recent yen-curbing economic package, which consists of stimulative spending and deregulation and was coupled with a historic interest rate cut.

Financial and political leaders, particularly in Japan, have blasted the U.S. for not raising interest rates or taking other strong steps to defend the dollar, which has plummeted nearly 20 percent this year against the yen to a string of postwar lows.

Muto quoted the Fed chairman as saying, "there are limits to the effects of concerted interventions in the foreign exchange markets with their abundant private funds." Japan has urged central bank interventions and interest rate coordination to try to curb the yen and prop up the dollar.

Gore's reported auto comments come as the two nations' trade chiefs meet in Canada, amid U.S. hints of retaliatory sanctions, to discuss the auto and auto parts sector, which accounts for 60 percent of the 66 billion dollar bilateral trade imbalance.

Bank Chairman Urges Less Dependence on Dollar

OW0805081295 Tokyo KYODO in English 0757 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—Toyoo Gyohten, a former vice finance minister for international affairs, indicated Monday that Japan needs to reduce its dependence on the dollar to help stabilize the global currency system.

"It would be important not only for Japan but for global monetary stability to reduce our excessive dependence on the dollar," Gyohten said in a speech delivered to the Foreign Correspondents Club of Japan.

Gyohten, chairman of the Bank of Tokyo, said the dollar's status as a global key currency has been gradually declining in line with an increase in the United States' external debts.

"What Japan should do is avoid maintaining the status quo by asking for a cheaper yen," Gyohten said.

In order for the yen to become a key currency, Gyohten cited three conditions—stability of the currency's value, its usability on the world market and ensuring minimum liquidity of the currency.

Gyohten said he views the second condition as "a very big bottleneck" for the yen to become international.

Specifically, he cited the immaturity of the short-term securities market in Japan. "Any currency, if it is to become an international currency, must have an efficient market in which it must be highly usable."

On the recent rapid appreciation of the yen's value against the dollar, Gyohten said the trend will force a fundamental restructuring of Japanese industry. The overseas production ratio by Japanese manufacturers, for example, increased to 9 percent in 1995 from only 2 percent in 1985, he said.

Gyohten described the change as "really amazing" but added that such a ratio is still low compared with those by the U.S. and Germany.

He said that what he views as a lack of political leadership in Japan should not discourage reform efforts taking place at present. "The speed and magnitude of industrial relocation should be careful and realistic," he added.

Expert Analyzes Strong Yen Situation

OW0805043095 Tokyo SHUKAN DAIYAMONDO in Japanese 29 Apr, 6 May 95 pp 12-14

[Article by Economist Susumu Saito, representative director of Sangoku Economic Research Institute: "FY95 Economy To See Super Strong Yen—Politicians, Bureaucrats, and Business People Should Change Their Way of Thinking"]

[FBIS Translated Text] Faced with a steep deterioration in the balance of international payments, U.S. President Richard Nixon announced emergency measures to defend the dollar, and suspended the dollar's convertibility into gold 24 years ago on 15 August 1971 (Japan Standard Time). For the United States, the day was V-J Day.

It is natural to consider that the U.S. Government's choice of the day to announce the dollar defense measures was meant to send a message to Japan, because it is no exaggeration to say that the issue of U.S. international payments was already a problem with Japan at that time.

Almost a quarter century later, nations in east and Southeast Asia have followed the Japanese model, and have tried one after another to develop export-led/import-restrained economies. As a result, the United States' problem with Japan appears to have spread to east and Southeast Asia.

Nevertheless, approximately half of the United States' present trade deficit is with Japan, and the overwhelming portion of the U.S. international payments issue still involves Japan.

The United States, during the East-West Cold War period, had to keep east and Southeast Asian countries, including Japan, as its allies by giving priority to security concerns over trade considerations.

Besides, it cannot be denied that U.S. allies in east and Southeast Asia, which provide the United States with consumer goods and capital goods in its own currency—the dollar—were convenient for the United States in order to pursue the "guns and butter" policy needed to win the Cold War with the former Soviet Union without sacrificing the living standards of its people.

Change in Strategic Environment As Background

However, prospects for ending the Cold War emerged after Secretary General Mikhail Gorbachev of the former Soviet Communist Party came on the scene in March 1985, and the United States' strategic environment has changed completely.

The United States' shift from a policy that gives priority to a wide range of security concerns to the one that gives priority to its trade interests was a natural consequence.

Half a year later in September, a major weak dollar policy was implemented following the Group of Five's Plaza Agreement, which sought to improve the U.S. balance of international payments. This was not a coincidence, and should have been understood in the context of the United States changing its strategic thinking.

But Japan had little understanding of the changes in the strategic environment until the Berlin Wall was physically pulled down in November 1989.

Although the strategic environment that supported the export- led/import-restrained postwar economic system has disappeared, most arguments generally praised the "success" of Japan's postwar economic system.

Since the strategic environment that allowed a big trade imbalance between the different coasts of the Pacific is gone, Japan's options were very limited: To curb exports as a policy, to change the import-restrained model and allow a major increase in imports, or to do both at the same time.

Even under the new strategic environment, the fundamentals of Japan as an exporting country have not changed, and the ceiling of the people's standard of living is largely restricted by the size of its exports. For a further rise in the standard of living, Japan should have chosen to correct the trade imbalance by changing its import-restrained model.

However, this choice inevitably brings a serious conflict of interests among domestic industries, and cannot avoid largely destroying the vested rights of politicians, bureaucrats, and businesses people, which were based on the Japan's postwar economic growth model.

In the latter half of the 1980s, such domestic friction was avoided as long as possible, and a super monetary relaxation policy was implemented as a tranquilizer to patch up the situation.

Japan in Sun Wukung's Situation

Japan's attempt to somehow tide over the situation without abandoning its postwar economic system was manifested as international monetary cooperation in terms of its relations with the United States. That is, the United States permitted Japan's balance of payments surplus in return for Japan recycling its funds to cover the U.S. deficit.

It was Japan's calculation that it cost less to be under the umbrella of the postwar international political economic system, which was based on the United States, than to build a system of its own that is independent and cooperate with the United States at the same time. Japan chose to continue to get a free ride at the expense of the United States.

This choice emasculated the spirit—an important background of the May 1984 agreement of the Japan-U.S. Yen-Dollar Committee—that the yen should be promoted as a key currency in order to lighten the United States' burden of maintaining the international political economic order.

As a result, Japan, though it is the world's largest capital export nation, has ended up doing something strange: Exporting capital in a foreign currency—the dollar. Japan is like Sun Wukung on the palm of Buddha's hand [Sun Wukung, the monkey in the Chinese classic "Pilgrimage to the West," believed he had escaped from Buddha's hand and had reached the end of the world, only to find himself still in the palm of Buddha's hand].

As far as Japan continues to be Sun Wukung, the United States as Buddha will deal with it accordingly.

When Japan thinks it has made a huge profit in dollars, it will find itself gaining no profit at all in yen because of a sharp appreciation in the yen against the dollar promoted by the States.

Actually, in the last 10 years, Japan's export of currency and service has not increased at all in terms of yen, though it has doubled or more in terms of the dollar.

Yen-based labor costs have increased steadily. Exporters find themselves in a vicious cycle: The harder they work, the more they suffer.

The relative value of the wealth which Japan believes to have saved up has also diminished by a considerable degree. The exchange loss of Japan's foreign assets is said to have amounted to nearly 50 trillion yen since 1977.

This great folly is a natural consequence of Japan's cunning in trying to take risks with other people's money without altering its own system.

"Devil's Choice" May Be Selected

The strategic environment has changed, and the United States' move to pursue its own trade interests will become all the greater. In contrast, Japan is still playing the role of Sun Wukung.

What has supported Japan's optimistic economic outlook, which has been the general trend until recently, is the recovery of U.S. economy through the Federal Reserve's monetary relaxation policy, and the resulting expansion of the global economy, including that of Asia. The reason is the Japanese economy appeared to have bottomed out since yen-based exports did not decline much, while dollar-based exports increased rapidly and the yen appreciated steeply.

However, the United States' shift to a tight-money policy in February of last year greatly destroyed the grounds for such economic optimism.

Reacting directly to this change, stock prices have declined since mid-June last year. What the stock prices—that remained sluggish even after the Japanese Government's announcement of an economic package this month [April]—indicate is not the recovery of the Japanese economy as economic optimists say, but a further deterioration of the economy to come.

Moreover, the U.S. economy's trend of slowing down due to the tight-money policy has become vivid this year.

One would think that a force to correct the U.S. trade imbalance with foreign countries, which has expanded greatly by its economic recovery, is working on the U.S. economy. It is natural to think that the pressure for a weak dollar/strong yen will not lower until the United States' balance of payments deficit is confirmed to be on the decrease. There is strong possibility that the vicious cycle, in which deflationary pressure is applied on the Japanese economy, will worsen.

Under these circumstances, Finance Minister Masayoshi Takemura, at a meeting of the Asia-Pacific Economic Cooperation (APEC) forum held on the 15th of this month, was reported to have sounded out U.S. Treasury Secretary Robert Rubin on whether or not the United States could issue yen-denominated U.S. Government bonds so that Japan could raise intervention funds to support its dollar-buying operations. But, as can be seen in the fact that the Bank of Japan [BOJ] conducted a large-scale dollar-buying/yen-selling intervention and recycles the dollar back into the U.S. Government bond market, Japan's Sun Wukung situation is already realized.

To make matters worse, Ryutaro Hashimoto, international trade and industry minister, who is said to be the one who came up with the idea originally, appeared on a television show and disclosed the contents of the proposal before the U.S. side's response to Japan's proposal was confirmed.

Not taking into consideration the possibility of rejection by the United States, and ignoring the expected reaction of the market, the actions of both Takemura and Hashimoto can hardly escape the charge of being too ignorant. Furthermore, it is only natural that the incident left the market with strong doubts about whether Prime Minister Tomiichi Murayama, who is suppose to supervise the two ministers, is really performing his duties as leader.

The market's dollar-selling was a natural response to the United States' refusal of Japan's suggestion.

If Japan, whose monetary policy has no more options after the BOJ's official discount rate was lowered to 1 percent, wants to stop the strong yen/weak dollar, it has to make the United States feel that there is a need to raise its interest rates. That is, a situation in which funds to cover the U.S. balance of payments deficit do not recycle because of the weak dollar: Suspension of the BOJ's dollar-buying operation, and a mass disposal of dollar-denominated securities by Japanese institutional investors who can no longer bear the burden of foreign exchange losses.

However, this is a "devil's choice" that will blow the current economic scenario away.

A more realistic way to deal with the situation is to change the import-restrained economic system by promoting deregulation. But, this will reduce the number of industries competing with imported goods in the long run, and will be disadvantageous to the economy in the short term.

Since the monetary policy has now reached its limits, fiscal measures have to be taken, even at the expense of issuing additional government bonds, until the economy is able to expand without depending on foreign demand.

However, like deregulation, which progresses at a snail's pace while there has been fanfare about its promotion, even fiscal policy has come to a deadlock under the present political framework. The reason is the nation's political consensus on how the new government funds, which have to be raised by issuing government bonds, should be allocated is not clear.

Saito Views U.S. Call for Embargo on Iran

OW0805102295 Tokyo KYODO in English 1016 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—Japan has not yet decided whether or not to stop extending loans to Iran in line with U.S. President Bill Clinton's calls for a trade embargo to curb threats of terrorism, a top Foreign Ministry [MOFA] official said Monday.

"An executive order hasn't been issued yet, and there haven't been any formal requests from the U.S. (to join the trade embargo) either," Vice Foreign Minister Kunihiko Saito said.

"Japan will consider its stance after studying the contents of the executive order," Saito told a press conference. "But Japan's view is that taking an isolation policy toward Iran will not produce desired results."

"Whether or not Japan will continue to provide the loans is a matter under consideration," he said of the 45 billion yen portion of Japan's Official Development Assistance (ODA) to Tehran currently being withheld.

Japan considers it best to continue relations with Iran while conveying international concerns that Tehran might support terrorism, Saito said, and that extending necessary cooperation to Iran would help "realists" in the country gain more force.

Japan resumed its ODA program to Iran in May 1993, thawing an 18-year freeze on official lending to the country. Tokyo provided 38.6 billion yen in official credit as a first installment for a hydroelectric power project on the Karun river in southern Iran, and the decision on the second installment of the aid was expected to be made last summer but was postponed after U.S. calls to scrap the financing deal. Saito said he does not think the differences of stance toward Iran will damage the relations between Japan and the United States.

News on Credit Association Scandal Reported

'Dubious' Anzen Credit Bank Loan

OW0605115595 Tokyo KYODO in English 1033 GMT 6 May 95

[FBIS Transcribed Text] Tokyo, May 6 KYODO—Anzen Credit Bank, one of two failed Tokyo credit unions at the center of a financial scandal, extended massive loans without security to a dormant company connected with the former head of the second credit union, informed sources said Saturday.

The sources said Anzen Credit began providing loans to the resort development firm in 1990 and continued lending even after the Tokyo Metropolitan Government began investigating lax lending by the credit union last August.

The resort developer, Akeno Ekotopia, was set up in 1989 by E.I.E. International Corp., whose president, Harunori Takahashi, 49, is both the former head of Tokyo Kyowa Credit Association and former adviser to Anzen Credit, they said.

Akeno Ekotopia was established to develop a resort facility in Akeno, Yamanashi Prefecture, west of Japan, but the project was canceled by the summer of 1992 due to the worsened financial state of E.I.E. International, the sources said. The resort company has not been engaged in any activities since then, the sources said.

Anzen credit extended some 7.3 billion yen to Akeno Ekotopia as of November last year, but most of the money was spent to repay debts owed by Takahashi, they said.

Anzen Credit offered more than 2.5 billion yen last August immediately after the metropolitan government launched its investigation into the credit union, they said.

The two credit unions under the management of Takahashi and Shinsuke Suzuki, 46, former head of Anzen Credit, are suspected to have been involved in dubious loan cases, including the lending to Akeno Ekotopia. The Tokyo District Public Prosecutors Office and the Metropolitan Police Department will soon launch a full-scale investigation into the cases, the sources said.

Both Takahashi and Suzuki were accused of breach of trust by the two credit unions for their alleged roles in providing loans beyond legal limits. Both credit unions folded due to their huge amount of bad loans.

The operations of Tokyo Kyowa and Anzen were taken over by Tokyo Kyodou Bank, which was established specially for the rescue plan. The bailout plan, however, has caused controversy because a portion of the bailout funds will come from taxpayers' money.

New 'Scheme' at Tokyo Kyowa Credit

OW0805110595 Tokyo KYODO in English 1048 GMT 8 May 95

[FBIS Transcribed Text] Tokyo, May 8 KYODO—Yet another shady loan scheme of the former head of failed Tokyo Kyowa Credit Association was revealed Monday, further widening the scope of the financial scandal centering on Tokyo Kyowa and another bankrupt credit union.

Tokyo Kyowa's former President, Harunori Takahashi, borrowed some 2.8 billion yen from his own credit union via a dummy company to lend the money to his own group of companies, informed sources said.

A Tokyo company for selling golf club memberships, which served as a conduit for the loan, folded soon thereafter without doing any business activities, the sources said.

The company, forum create, was established in May 1992 as a subsidiary of a company wholly owned by Takahashi.

Around the time it was established, Takahashi asked the company, which had no full-time employees, to borrow 2.86 billion yen from Tokyo Kyowa, which he headed at that time, according to the sources.

Takahashi had prepared the documents necessary for the loan, which he then siphoned off to several of his E.I.E. Group companies, the sources said.

The golf club membership sales company has repaid little of the loan from Tokyo Kyowa, and the debt was shouldered by another golf course development firm in August last year.

Investigators believe Takahashi used a similar scheme several times for raising funds through loans from Tokyo Kyowa and Anzen Credit Bank, the other failed financial institution at the center of the scandal.

Ex-Minister's 'Dubious' Fund-Raising Discussed

OW0705114695 Tokyo KYODO in English 1112 GMT 7 May 95

[FBIS Transcribed Text] Tokyo, May 7 KYODO—A man at the center of a major financial scandal and a private university provided funds for a plan proposed by former Labor Minister Toshio Yamaguchi to set up a university in the United States, people involved in the case said Sunday.

They said a preparatory panel set up in 1989 took more than 1 billion yen from Harunori Takahashi, former president of Tokyo Kyowa Credit Association, and some 170 million yen from the Kumamoto Institute of Technology, a private institution.

Companies run by Yamaguchi's relatives also invested money in the panel preparing for the establishment of a university in Virginia, they said.

As shown in lists of major borrowers, the companies in question got loans beyond legal limits from Tokyo Kyowa and Anzen Credit Bank, the two bankrupt credit unions subject to a controversial bailout plan that calls for public funds to rescue them.

They said both Takahashi and the private institute were approached by Yamaguchi for investment in the university project, which failed in September 1993, two months after the Long-Term Credit Bank of Japan (LTCB) cut financial support to eie international, a real estate developer run by Takahashi.

According to a survey by the Education Ministry, the private institute sold a site originally for housing for teaching and clerical staff in 1992 to raise funds for investment in the project.

The preparatory panel signed to purchase a 2.21 million square meter site for the planned university in Virginia between 1992 and 1993 for some 43 million dollars—38 million dollars in cash and the remainder on installment, according to the survey and people familiar with the project.

But the panel failed to pay the remainder on installment after the Long-Term Credit Bank cut its business ties with eie international.

A person familiar with the project said this made it difficult for takahashi to provide money to Yamaguchi, thereby leaving the university project at a standstill.

Yamaguchi is known as one of the politicians close to Takahashi, who has been accused by the current management of Tokyo Kyowa of breach of trust for providing loans beyond legal limits while knowing they could not be collected.

Yamaguchi has resigned as deputy secretary general of the main opposition Shinshinto (New Frontier Party) after the disclosure of dubious loans from the credit union to companies run by his relatives. He later quit the party itself, although he has denied any wrongdoing.

Murayama Returns From 5-Day PRC Visit

OW0605091295 Tokyo KYODO in English 0902 GMT 6 May 95

[FBIS Transcribed Text] Tokyo, May 6 KYODO—Prime Minister Tomiichi Murayama returned to Japan on Saturday from a five-day official visit to China.

During his journey, Murayama met separately with President Jiang Zemin, Premier Li Peng and Qiao Shi, chairman of the Standing Committee of the National People's Congress.

A major focus of Murayama's trip was his statements of repentance for Japan's victimization of China and other Asian neighbors as this year marks the 50th anniversary of the end of World War II. During his trip, his first as prime minister, Murayama visited Beijing, Xian and Shanghai.

Poll: 72 Percent Approve Rewriting Constitution

OW0705092195 Tokyo SANKEI SHIMBUN in Japanese 3 May 95 Morning Edition p 1

[FBIS Translated Text] In this historic year that will mark the 50th anniversary of the end of World War II, SANKEI SHIMBUN has conducted a nationwide public opinion poll to survey 2,000 male and female adults about their views on the constitutional amendment debate. According to the results of the poll, 72 percent of respondents took a forward-looking view of an amendment to the Constitution, saying: "We are in support of rewriting the Constitution in response to changed times." As reasons for the need to rewrite the Constitution, a majority of the polled said: 1) The government's handling of national crises have been inadequate; 2) the Constitution must unequivocally stipulate that the Self-Defense Force [SDF] is constitutional; and 3) the Constitution stands in the way of promoting Japan's international contributions. While more than 70 percent of respondents showed interest in rewriting the Constitution, more than 60 percent said: A "provisional constitution research council" must be established within the government to discuss amending the Constitution. Thus, it has become clear that people have come to feel the need to amend the current Constitution.y

Asked about the debate on rewriting the Constitution, 25 percent of those polled said: "We are greatly interested in the debate"; whereas, 46.9 percent said: "We are somewhat interested in the debate." In this way, the poll found more than 70 percent of people are interested in the debate on amending the Constitution. Twenty percent of respondents said: "We are not much interested in the debate"; whereas 6.9 percent said: "We are not interested in the debate at all." While more than 70 percent of respondents took a forward-looking view on amending the Constitution, 21 percent said: "The Constitution should not be amended recklessly."

Asked to cite the reason for amending the Constitution, 57.8 percent of the polled said: "The current mechanism to deal with a national crisis is faulty." In this way, the government's poor handling of the Great Hanshin Earthquake and the sarin nerve gas attacks is believed to have influenced their answers to the question.

Of the surveyed, 50.4 percent said: "The Constitution must unequivocally stipulate that the SDF is constitutional"; whereas 49.8 percent said: "The Constitution stands in the way of Japan making international contributions." Thus, the poll found that many of the surveyed adults are aware of the importance of Japan's contributions to the international community.

Meanwhile, 31 percent of the surveyed said: "The current Constitution needs to be rewritten because the United States forced Japan to enact it"; 34.5 percent said: "The current Constitution only stresses the people's rights and slights their obligations."

Asked to cite the reason for taking a cautious stance on amending the Constitution, 73.3 percent of the polled said: "The current Constitution has been accepted by the people as a pacifist constitution"; whereas 41.6 percent said: "Japan is able to deal fully with any national crisis through a flexible interpretation of the Constitution and the enforcement of laws"; and 32.7 percent said: "It is not desirable to hold a debate on rewriting the Constitution at the risk of splitting public opinion."

Asked about a few points related to the amendment of the Constitution, 68 percent of the polled said the existence of the SDF must be unequivocally stipulated in the Constitution, whereas 19.3 percent said: "We do not agree with this view." The right to collective self-defense has been widely mentioned as something that restricts Japan's international contributions. In the poll, 52.1 percent said the Constitution must recognize that Japan holds the right to collective self-defense and explicitly stipulate this recognition. In this way, the poll found that the number of backers of the right to collective self-defense was more than twice that of opponents.

The prime minister's ability to manage a crisis has been questioned following the Great Hanshin Earthquake. On the power issue, 83.7 percent of the polled indicated that the prime minister must be given strong powers to deal with a national crisis. Meanwhile, 60.8 percent of those who support the Constitution explicitly stipulated that hinomaru and kimigayo should be used as Japan's national flag and anthem. In addition, 82.1 percent expressed their support for incorporating the right to preserve the environment and other rights in the Constitution in response to changed times.

Editorial Discusses Constitutional Amendment

OW0505144995 Tokyo YOMIURI SHIMBUN in Japanese 3 May 95 Morning Edition p 3

[Editorial: "It Is Time To Hold Constructive Debate on Security—Beyond the Postwar Years"]

[FBIS Translated Text] In this historic year, which will mark the 50th anniversary of the end of World War II, what does Japan think about its post-Cold War security? Japan is faced with the serious issue of how it should build domestic security to deal with such major incidents as the Great Hanshin Earthquake and the sarin nerve gas attack on the Tokyo subway.

On Constitution Day [3 May], YOMIURI SHIMBUN proposed a "guideline for a comprehensive security policy" because it viewed holding broad-ranging national debates on the issue as indispensable.

On 3 November 1994, YOMIURI SHIMBUN announced a "draft amendment to the Japanese Constitution." The guideline, based on the draft amendment, represents an answer to the question of how Japan should defend itself, and defend the people and their property from threats such as disasters, terrorism, and riots.

Worrisome Tendency To Avoid a Security Debate

Over the past 50 post-war years, debates have been held on the rights and wrongs of the Japan-U.S. Security Treaty and various debates have also been held on Japan's security. Has a serious and in-depth debate been held on what to do about Japan's security? We cannot help replying "no."

Why? First, the Self Defense Forces (SDF) have been the central topic of debates on Japan's security and much time has been spent debating whether the SDF is constitutional or unconstitutional. These debates have been preoccupied with ideological and "theological disputes" without examining the main topic.

Second, we cannot overlook the fact that the protection of Japan by the overwhelming military power of the United States has kept the debates lackluster. Under the nuclear umbrella of the United States, the Japanese have lived at ease and the nation has pursued the policy of giving "priority to economic development and maintaining a lightly-armed force."

When Japan is compared with Germany—another vanquished nation in World War II that has followed a path on which it has resolved constitutional problems one by one during the post-war years—light is shed on the differences between the two.

In 1954, West Germany made rearmament possible in the future by amending the Basic Law (constitution), which stipulates that national defense belongs exclusively to federal legislative right. In 1956, the Basic Law explicitly stipulated the establishment of the military and the draft.

In 1968, West Germany sweepingly rewrote the constitution to deal with an emergency situation. At the time, West Germany was embroiled in heated debate, but both ruling and opposition parties struck a deal after putting forth their specific comprise proposals.

It may be inappropriate to simply compare Japan with West Germany, which stood on the frontline of the East-West Cold War.

Japan has a lot to learn from the history of Germany, which has dealt with state security and the basis of the people's survival without doing so ambiguously by rewriting the Basic Law.

The ruling Social Democratic Party of Japan [SDPJ] altered its long-held policy, and recognized the SDF's constitutionality and voiced support for the Japan-U.S. Security Treaty shortly after the Murayama government was inaugurated. This policy shift created the possibility at long last that both the ruling and opposition parties could hold a debate on rewriting the Constitution.

Nevertheless, the situation is moving in the opposite direction. As seen in the compilation of the defense budget late last year, the ruling Liberal Democratic Party [LDP] and SDPJ are in the grip of a phenomenon that can be called a "tendency to avoid debate on Japan's security." This tendency—the debate on Japan's security must be avoided as much as possible—has emerged out of fear that it may create a rift in the coalition government.

As in the case of defense issues and natural disasters, politicians have neglected to deal seriously with Japan's security. It is safe to say that politicians clearly paid the price for their negligence in the Great Hanshin Earthquake.

Preparing for war, disasters, and terrorism is the minimum responsibility to be born by the state.

For a long time, constitutional provisions governing emergency situations, the key centerpiece of guidelines for a comprehensive security policy, have encountered deep-seated opposition because they restrict some basic rights. If the revamping of laws is neglected in peacetime, the government has no choice but to take measures that violate laws and the constitution when an emergency situation occurs because of the absence of relevant constitutional provisions. This is more dangerous than the emergency situation itself. In many nations, therefore, the constitution explicitly stipulates ways to deal with emergency situations.

The State Has the Responsibility To Prepare for Emergency Situations

The guideline for a comprehensive security policy says that the prime minister needs to obtain approval from the Diet when he is to announce an emergency situation, and he must take emergency measures in accordance with the law. In this way, the guideline puts forth a variety of requirements that prevent the prime minister from abusing his powers.

Some may take the view that if the prime minister is vested with all command and supervisory powers, this will run counter to the decentralization of government and increase the danger of the prime minister abusing his powers. Yet, it is clearly necessary to give the prime minister these powers in light of the lessons we learned from the Great Hanshin Earthquake. A poll taken by YOMIURI SHIMBUN showed 90 percent of respondents feel the need to give the prime minister these powers.

In the 1970's, when legislation to deal with emergency situations became an issue, some people blocked debate by exploiting the argument that the SDF is unconstitutional and that such legislation would put Japan back on the road to militarism. We cannot help saying that it was a unfortunate thing. Various public opinion polls have shown that only a small number of people view the SDF as unconstitutional and there have been differing views on what duties the SDF should assume.

The guideline defines the SDF's defense of Japan, and its participation in rescue work in disaster areas and in UN Peackeeping Operations (PKO) as important duties.

The SDF's participation in PKO is an international responsibility that Japan will have to vigorously fulfill in the 21st century, as a nation that needs to seek survival in free trade in a peaceful world.

Regarding the use of weapons by SDF personnel during their participation in PKO, we must not confuse the constitutionally-banned use of force with a war of aggression. We need to clearly separate action taken as part of "UN collective security" from the exercise of the right to individual and collective self-defense.

It has often been pointed out that the Japanese think they can obtain water and safety free of charge. The safety of the state and people is not given naturally. We must secure safety through incessant efforts.

As news media, newspapers have the function of reporting facts accurately and impartially. As news media, they also have the function of commenting and putting forth their views on major issues.

We are convinced that, as YOMIURI SHIMBUN proposed the guideline for a comprehensive security policy, it is a natural responsibility for newspapers to make proposals on national issues.

Editorial on Need To Keep Article 9 Intact

OW0605102095 Tokyo ASAHI SHIMBUN in Japanese 3 May 95 Morning Edition p 14

[Editorial: "Proposal III—Article 9 of the Constitution Should Not Be Changed"]

[FBIS Translated Text] Article 9 of the Constitution, which renounces war and the use of force, is an idealistic norm that preemptively undertakes a task facing all mankind. It is now time to consider how it should be put to best use in overhauling the Self Defense Forces [SDF] and security agreements.

Founded on the three principles of pacifism, sovereignty of the people, and respect for basic human rights, the Japanese Constitution had a decisive impact on the nation's postwar history. Had there been the slightest tinge of nationalism in it, we are certain that Japan would have been utterly different in freedom and affluence.

The Japanese Constitution was promulgated under the strong influence of the General Headquarters (GHQ) when Japan's sovereignty was severely limited during the occupation. In this sense, it is indeed unique.

However, the will of the people, who had learned a lesson from the devastation of war and militarism, was reflected in the Constitution in its own way through Diet discussions and other means. The vast majority of people welcomed the resultant Constitution. Had it not been for the Constitution as the overarching guideline for building a new nation, Japan could not have broken from its pre-war characteristics.

In particular, Article 9 of the Constitution, which renounces war and the use of force, is an idealistic norm that preemptively undertakes the task facing all mankind in realizing lasting peace. Such a proclamation did not seem very realistic when the Cold War prevailed. However, now that the Cold War is over, Article 9 has become more precious than ever.

What underpins Article 9's absolute ideal is a resolve contained in its Preamble to "preserve our security and existence, trusting in the justice and faith of the peace-loving peoples of the world."

Now that weapons have horrifying destructive power, a modern state, where cities and civilization have become sophisticated, can no longer withstand war or the use of force. The world is entering an age when a full-scale war among developed countries is hardly likely because democracy has expanded, the concept of human rights has become popular in international society, and mutual economic reliance has deepened.

If a long-range look is taken at the world in post-Cold War years and our earth's future, now is precisely the time for Article 9 to recover its brilliance. Although we certainly have far to go, the possibility of translating the Constitution's ideals into practice is at least on the horizon.

There are various interpretations of Article 9's overall purpose and the wording of individual provisions. In particular, its interpretation in relation to the SDF has been a target of heated debate, and can be called the most divisive issue in postwar politics.

Article 9 was understood as calling for being "absolutely unarmed" when the Constitution was enacted. That was in accord with people's earnest feelings and the actual conditions of being completely disarmed after defeat in the war. It was supported by the naive popular expectations of UN peacekeeping functions. In response to constitutional assembly questions in June 1946, then Prime Minister Shigeru Yoshida said: "As a result of any armament and the right of belligerency not being recognized, we renounced war as a means to exercise the right of self-defense."

When the Korean war broke out in 1950, however, the Allied occupation forces compelled the Japanese Government to form the Police Reserve Forces, and the Japan-U.S. Security Treaty came into force somewhat later. The government embarked on upgrading defense forces by changing the Police Reserve Forces into the National Security Forces and then into the SDF.

As proof of its being a "member of the West," Japan, continued to modernize and expand the SDF. Because of this, the SDF today ranks as one of the most advanced in the world, especially in equipment quality. In view of the government interpretation of the Constitution and the ideal of being "absolutely unarmed" accepted by the people at the time of its promulgation, we must say that Article 9 has gradually been stripped of its spirit during the Cold War era.

Meanwhile, many Japanese have continued to highly evaluate Article 9. Now that the international situation has changed, we should give profound thought to how we can reassess Article 9 and make the most of it to correct the reality of the SDF and national security policies.

In the context of the spirit of Article 9, we have serious doubts about the SDF's present status. What we think of a [armed] force for self-defense that the Constitution permits will be explained in our proposal 4. However, we do not think that Article 9 entirely says no to keeping a self-defense force. A state is allowed the right of self-defense as a course of last resort in resisting or repelling aggression or the use of force by a foreign country. We do not believe Article 9 went so far as to discard that right.

ASAHI SHIMBUN has long iterated such views in its editorials.

On 16 December 1953, ASAHI SHIMBUN said: "In their hearts, the majority of people think that effective force for self-defense is necessary. We are of the same opinion."

On 3 May 1968, we said: "The Constitution does not deny the right of self-defense, which is a state's basic right. Accordingly, it recognizes the minimum force necessary for self-defense. (passage omitted) Though such a force must be used against imminent and unjust aggression, such a force should be used strictly within the framework of Constitutional provisions."

As long as there are countries that have no qualms in the use of force, force for self-defense cannot, regrettably, be ruled out. Unarmed resistance and uprisings alone cannot make people feel secure.

What is important in the interpretation of the Constitution is an attitude to flexibly search for its meaning based on its provisions' ideals and objectives. Too sclerotic an interpretation becomes unfit for the times and can undermine the Constitution's very spirit.

The U.S. Constitution has a history of more than 200 years and yet it is kept intact save some revision, including the first 10 amendments that were added as the Bill of Rights. It should be remembered that flexible interpretation and precedents in response to changes in American society have served as the American Constitution's lifeblood.

Needless to say, the Constitution is a body of supreme legal codes. However, as the principles of government, governmental machinery, and rights and obligations of the people are contained in concise provisions, there is often much room for divergent interpretation. Heated controversy often arises over the constitutionality of concrete policies or legislation, resulting in bitter political conflict. That is why constitutions are said to be "political norms" as well as "legal norms."

However, this is neither messy nor unhealthy. Controversy should be positively appraised for its role as a safety valve to ensure that Japan's basic policies remain democratic and sound.

In that sense, it would be one-sided to think that Article 9 was "hollowed out," or that it has "lost its meaning as a norm by being interpreted differently." Objectively speaking, we think that Article 9 has served its role well in guiding the nation and its people for nearly half a century.

During that period, Japan neither sent its troops abroad to kill people in other countries nor manufactured weapons for export. Though the SDF has been reinforced, the manner of its operations and its behavior have been constrained. That was because they were constantly subjected to scrutiny in the context of Article 9 and to discussion among the people.

Much of the framework for Japan's defense policies—such as the denial of collective self-defense, prohibitions against sending combat troops abroad, the three nonnuclear principles, denial of the conscription system, banning weapon exports, and restraint on defense spending—are the result of Article 9 and debate about it.

More important is that the notion of attaching importance to military matters has been avoided. Due to the concept that military matters are "a state's basic tasks," they are often liable to take precedence over legislation and government administration over civilian matters. Under Article 9, however, national defense has been treated on the same footing as government administration in other fields and has not been given preferential treatment.

The basic framework of not bestowing privileges or giving preferential treatment to military matters has taken root in post- war Japan and the country does not pose much military threat to neighboring countries. Clearly, this owes to the functioning of Article 9.

The SDF is treated as a "military force" in international society. However, it is not an "ordinary military force" with the same powers and functions as those of other nations.

The SDF is subject to a maze of regulations, such as prior or ex post facto Diet approval in taking action for defense purposes. According to government interpretation, exercise of the right of self-defense is contingent upon 1) immediate and unjust aggression against Japan, 2) non-availability of any other means, and 3) use of force to the minimum extent necessary. The SDF can act only on or near Japan's territory, its territorial waters, and air space.

Though there is much ambiguity and vagueness in the government's interpretation, SDF actions will be considerably constrained if those conditions are strictly observed. The SDF can be regarded as not much different from the police and Maritime Safety Board in that they are subject to many constraints.

Moreover, it is not permitted to limit the rights of the people provided for by the Constitution on the pretext of "an emergency." And there is neither military tribunal nor legislation authorizing secrecy. There have been repeated attempts to enact laws designed to deal with contingencies. However, they have been thwarted by the people who had great faith in Article 9.

Political action was repeatedly taken, ranging from contention, made soon after the Constitution's promulgation, claiming that the Constitution was "foisted upon Japan"; to the more recent notion that cast doubt upon the Constitution, saying that it imposes a limit on Japan's ability to make "international contributions." Even more recently, some people who once called for "protecting the Constitution" now want to revise it purportedly to stop its virtual amendment by farfetched interpretation.

The Constitution is not a "code of laws that will be in effect forever." Therefore, it is essential to examine it in the present context. However, as far as Article 9 is concerned, what the times require is not that Japan gets free of military constraints but the reverse. Obviously, the importance of power is diminishing in the post-Cold War era. The Constitution's revision in such a way as to put greater emphasis on military power clearly runs counter to the trend of the times. We cannot endorse such a move.

It is desirable that defense policy always be open to debate in political processes and a subject of public discussion, as is true in many developed nations. In Japan, Article 9 is the centerpiece of such discussion.

Ultimately, it should be stressed that Article 9 is highly regarded abroad for its ability to check the possibility that Japan could become a country seeking its own national interests by sword- rattling. To Asian neighbors, the article is a symbol of what prevents Japan from becoming a dangerous country.

Revision of Article 9 under the present conditions will surely invite wariness and concern in other countries and could trigger an arms race in East Asia. That would hurt, rather than serve, Japan's security interests.

Editorial Views SDF Reorganization

OW0605120495 Tokyo ASAHI SHIMBUN in Japanese 3 May 95 Morning Edition p 14

[Editorial: "International Cooperation and the Constitution; Proposal IV—Reorganizing the Self Defense Forces"]

[FBIS Translated Text] The use of force for self defense permitted under Article IX of the Japanese Constitution is limited to within the bounds of genuine "self defense." There is strong doubt that the Self Defense Force [SDF] as it stands oversteps these bounds in equipment, scale, and other aspects.

It has been shown in various public surveys that many people support both "Article IX" of the Constitution and "the existence of the SDF." Most Japanese accept the SDF's existence, although such surveys have pointed out that these people place high expectations on the SDF's role in relief operations in disasters rather than its primary role in defense, and have always been reluctant to support strengthening it.

However, whether the SDF as it now stands is in accord with the Constitution must be examined separately. In a ruling (handed down in 1959) by its full bench on the Sunagawa case—in which the constitutionality of the presence of U.S. Forces in Japan was questioned—the Supreme Court found that Article IX of the Constitution does not negate the nation's right of self defense, and said: "Our country can take necessary measures for self defense to maintain its peace and security, and fully preserve its existence." However, the Supreme Court has not ruled on whether the SDF, in its current form, is "constitutional" or "unconstitutional."

The government's official view on Article IX in recent years is that it is legal "to maintain forces for self defense to the minimum extent necessary" based on the nation's inherent right of self defense. Even with such an interpretation, a self defense organization based on the right of self defense would be "unconstitutional" if it should overstep the bounds of "minimum force necessary for self defense" in regard to basic rules on such aspects as scale and equipment or duties and operations.

Successive past administrations have strengthened the SDF's combat capability employing what can only be described as deceptive tactics, without thoroughly examining these points. By qualifying the term "minimum" with the term "necessary," they made the "minimum" limit meaningless for all practical purposes.

Many wars have been waged in the name of "protection of interests" or "self defense." If thought is given to that fact, it must be considered that "self defense force" as approved by Article IX must be strictly limited to that which really remains within the bounds of "self defense."

Our view differs from the government's over this point. We feel the nation is only permitted to possess enough power to effectively protect its people and land from localized invasions, and use of force that can realistically be assumed.

How much power regarding equipment and scale is permitted under Article IX? It is the politicians who are responsible for civilian control of the SDF and ultimately the voting public who must set the limits to this power. However, the Diet has so far tended to be preoccupied with exegetic debates over whether the SDF's very existence is constitutional. The Diet has obviously neglected constructive discussion over the management of the SDF and its limitations, after defining the SDF's position in the nation's administrative framework.

What force for self defense is tolerated under Article IX? We see it this way:

1) The right of self defense is exercised only in a case of armed attack against the people and their territory. The use of force for self defense is limited to within the nation's territory, territorial waters, and air space. This is what is termed "exclusively defensive defense."

2) The SDF's equipment and organization must be limited to within the scale and capability appropriate to such objectives. For example, possession of arms that, considering their potential, can be used to attack other countries must be restrained to the utmost.

3) The SDF must be an entity that is open to the public.

4) No combat troops will be sent overseas, and the right of collective self defense will not be exercised. Participation in UN peacekeeping operations and any other form of international cooperation will be undertaken by a Peace Support Corps, which will be newly created.

5) Great importance will be attached to the SDF's role in relief operations and other activities in disasters in order to protect the lives and property of the people.

Viewed from such a perspective, it is very doubtful that the existing SDF is within the limitations on self defense, either in scale or equipment, as set by the Constitution.

Even though there may admittedly be some problems in making simple comparisons in dollar terms, how can we say that Japan's force for self defense is "the minimum necessary" when the nation's defense spending is the second largest in the world and Japan ranks second or third among countries that import the most weapons? In particular, the Maritime SDF [MSDF] and Air SDF [ASDF] now possess the most advanced equipment in the world in quality, and they possess the largest quantity of such equipment as well.

In no other nation have F-15 fighters and P-3C antisubmarine patrol aircraft been deployed so densely throughout the land. Such a situation runs contrary to the message sent out by a nation that possesses a pacifist constitution. This is the reason why other countries are critical of Japan, coming up with the descriptive phrase: "Japan—a contradictory country."

Moreover, in recent years, Japan, which has exercised self- restraint by acquiring weapons for exclusively "defensive" purposes, has begun to ease such restraint. A good example to illustrate this point is the development of the next generation of fighter support aircraft (FSX). Furthermore, there are plans to introduce air tankers and large transport vessels one after another.

We feel that the aggrandized SDF should be scaled down and reorganized into a National Defense Force Garrison for Defense of the Japanese Archipelago by the target year 2010—15 years from now. It is time to reexamine the SDF, in terms of both quantity and quality, to restructure it into an organization dedicated primarily to the defense of the nation.

This proposal is not simply made from the standpoint of the constitutionality of the SDF.

Some of us may be worried about what to do in case of emergency. However, first of all it can be pointed out that, at the least, an all-out war among major industrialized nations has practically become impossible since the end of the Cold War. Secondly, there is very little likelihood of a regional conflict occurring directly on Japanese soil, even though there exist problems like China's military buildup and the uncertainty of the situation regarding the Korean peninsula. It is precisely at a time like this that Japan should stand in the forefront of efforts toward disarmament and renounce the concept that armament is something with which "to respond to threats" from others. In so doing, Japan will encourage neighboring countries to reduce their arms.

The first step toward that end is to drastically reduce the Ground SDF [GSDF]. Since the likelihood of full-scale landings on Japanese soil from the north—as assumed during the Cold War era—has been dramatically reduced, it has become unnecessary to concentrate deployment of SDF troops in the northern part of the country. It is now possible to have smaller divisions.

Since it has become even more unrealistic to assume there will be a decisive battle on Japanese soil, the number of large tanks and artillery can be drastically reduced. The law should also be revised to cross out the SDF's duty of "responding to indirect aggression," which is, in a way, reminiscent of the days when law and order in the country was unstable.

Of the equipment possessed by the MSDF and ASDF, we would like to see the number of Aegis destroyers, P-3C anti-submarine patrol aircraft, and airborne warning and control system (AWACS) planes—which have been consistently upgraded based on the concept of possible threats from the former Soviet Union—slashed.

For Japan, which relies heavily on imports for most of its principal natural resources, it is extremely important to secure the safety of maritime traffic. However, this does not justify expanding the scope of the MSDF's activities. It is hoped that Japan will sign various agreements on safety on the high seas with neighboring countries while cooperating with them in efforts to enhance security on the high seas.

Meanwhile, it will be necessary to improve transport capability for more efficient operation of the scaled-down self defense organization, and to improve the quality of equipment used exclusively for defense against an enemy landing on Japanese soil. For example, small, but fast high-powered boats and various types of helicopters will be in greater need. It is also important to have better equipment for fighting natural disasters and chemical disasters.

Such arms reduction and reorganization needs to be done in phases under yearly plans while paying attention to possible changes that might be made in Japan-U.S. security arrangements.

Phase One (Up to the Year 2000)

The buildup in defense power that has been carried out almost consistently since FY1958 on the basis of the Defense Power Buildup Program is to be terminated, with the discontinuance of the current mid-term plan, which ends in the current fiscal year. The government should establish a "National Security Council" in 1996 to listen to its recommendations on, among other matters, how defense power ought to be during peacetime in the post-Cold War era, how the relationship between Japan-U.S. security arrangements and the SDF ought to be, and the prospective military technology and defense industry in the future. It should also draw up—in line with Article IX of the Constitution—a blueprint for the "National Defense Force" by 1998.

Regarding the force for self defense, work will be conducted for the time being in the order of freezing, reduction in quantity, and slowdown in the pace of upgrades in quality. In the process, we would like to see, at least temporarily, a return to the level set by the "Concept of Basic Defense Capability" adopted by the administration of former Prime Minister Takeo Miki.

The Miki administration's plan was based on the following principles: 1) Japan does not adopt a doctrine of countering external threats with force; 2) defense capabilities will be enhanced to a level that is sufficient in peacetime; and 3) the scenario dealing with a possible invasion will be a limited one. Although the plan was later turned into a meaningless one, the perception—"it is inconceivable that neighboring countries will ever conduct military aggression against Japan either today or in the future"—that formed the basis of the plan is still relevant.

Phase Two (Up to the Year 2005)

The government should officially announce the reorganization of the SDF into a National Defense Force-type organization; turn the three non-nuclear principles and the three principles banning the export of weapons into law; and begin consultations on security matters with neighboring countries.

Regarding defense power, the government should make yearly plans for scaling down and reorganizing the self defense organization and changing or abolishing equipment, and further press ahead with disarmament described in the first phase. In working out such plans, the government should entirely avoid relying on uniformed officers. It should take advantage of a consultative panel composed of representatives from political parties and specialists in the private sector.

Phase Three (Up to the Year 2010)

This is the phase for implementing the arms reduction plan designated in the second phase and reviewing the plan itself. GSDF troops should be reduced to about half the current level.

Such efforts for phased reorganization of the SDF will be more effective if they are made in parallel with diplomatic activities to ensure relaxation of tension in the region surrounding Japan as well as multilateral security.

North Korea

Ministry Denounces U.S.-Japan 'TMD' System

SK0805110595 Pyongyang KCNA in English 1055 GMT 8 May 95

["Foreign Ministry Spokesman on 'TMD' Issue"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA)—The United States and Japan must stop their groundless slander of the DPRK, give up their ill-intentioned scheme and ponder over the catastrophic consequences of their reckless military adventure, warns a spokesman for the Foreign Ministry of the Democratic People's Republic of Korea in an interview with KCNA today on the current moves of the conservative forces of the United States and Japan to establish a "Theatre Missile Defence System" (TMD) allegedly to cope with "missile threat" from the DPRK.

He told KCNA:

The "TMD" has dragged on for financial shortage and technical problems since it was initiated by the conservative forces of the United States and Japan.

These days they are frantically working to create an atmosphere for establishment of the "TMD" to cope with "missile threat" from the DPRK.

This shows that the United States and Japan scheme to drive the atmosphere of peace and detente created following the framework agreement between the DPRK and the United States back to confrontation under the cloak of "collective security" and give an impetus to their sluggish munitions industries.

The "TMD" is dangerous in that it is part of the U.S.-Japan military integration and is a factor giving rise to a new arms race and arms competition and wrecking peace and security in this part of the world.

Establishment of the "TMD" runs against the trend of the times toward universal disarmament after the end of the Cold War and totally conflicts with the spirit of the framework agreement between the DPRK and the U.S. and the agreement of four parties for resumption of DPRK-Japan talks.

Nothing can justify the establishment of the "TMD" by the United States and Japan.

Our people and People's Army are characterized by uncompromising resolute response to the attempts of any forces to violate the sovereignty and security of the DPRK.

We are sharply watching every movement of the hostile forces and will always take appropriate self-defensive measures against it.

Defense System Said 'Dangerous'

SK0805132395 Pyongyang Korean Central Broadcasting Network in Korean 1210 GMT 8 May 95

["Answer" given on 8 May by unidentified DPRK Foreign Ministry spokesman to a KCNA reporter's question regarding the U.S.-Japan Theater Missile Defense system; place not given]

[FBIS Translated Text] On 8 May a spokesman for the DPRK Foreign Ministry offered the following answer to questions raised by a reporter of the KOREAN CENTRAL NEWS AGENCY [KCNA] regarding the current moves by U.S. and Japanese conservative forces to establish a Theater Missile Defense system [TMD] to deal with our missiles.

The TMD has been delayed by financial shortages and technical problems since it was initiated by U.S. and Japanese conservatives.

However, these days they are frantically working to create an atmosphere in which to develop the TMD to deal with our so-called missiles.

We cannot but say that this is for the United States and Japan to give impetus to their sluggish munitions industries by driving the atmosphere of peace and detente, which was created following the framework agreement between the DPRK and the United States, back toward confrontation under the cloak of collective security.

The TMD is dangerous because it is part of the U.S.-Japanese military integration and a factor giving rise to a new arms race and arms competition, destroying peace and security in this area.

The establishment of the TMD runs against the trend of the times toward universal disarmament following the end of the Cold War, and totally conflicts with the spirit of the framework agreement between the DPRK and the United States as well as the agreement of the four parties for resuming the DPRK-Japan talks.

Therefore, such plots by the U.S. and Japanese conservative forces cannot be justified. The United States and Japan should stop the insidious act they are committing, recklessly picking a quarrel with us, and should ponder the catastrophic consequences that may arise from their reckless military adventure.

It is the character of our people and People's Army to resolutely deal with attempts by force to harm the sovereignty and security of our Republic, never making the slightest concession.

We are sharply watching every movement of the hostile forces and will take the appropriate self-defensive measures to counter them.

Commentary: U.S. 'Not Trustworthy' on Reactors

SK0605135595 Pyongyang Korean Central Broadcasting Network in Korean 1226 GMT 6 May 95

[NODONG SINMUN Commentary: "It Depends Upon U.S. Position"]

[FBIS Translated Text] In recent days, some forces in the United States have once again been singing the hackneyed ballad of imposing sanctions, foolishly attempting to shuffle off on someone's shoulders their responsibility for the breakdown of the talks on light-water reactors held in Berlin.

Even though they have made a mess [irul chojirunoko], they are now trying to threaten someone else, talking about right or wrong. This does not stand up to reason.

Before doing this, the United States had better first reflect upon how it has acted.

As is widely known to the world, the United States imposed unjust demands [pudanghan yogudul] that we can never accept, while being continuously persistent about the non-existent South Korean-style light-water reactors at the light-water reactor negotiations in Berlin. As a result, the negotiations on light-water reactors ruptured [kyollyoldoego maratta].

We have already made public on many occasions that we will take an independent measure [chajujok chochi] in case the United States delays the settlement of the question, continuously imposing South Korean-style light-water reactors. There is still no change in our position.

Whether we will lift the freeze on the nuclear facilities totally depends upon the position of the United States.

If the United States withdraws its unjust position [pudanghan ipchang] even now and assumes a position of trying to solve the question, we will stand face to face with them in good faith; however, if on the contrary, the United States continues to insist upon its unjust position [pudanghan ipchang], we will inevitably go our own way as we have made up our mind to do.

The DPRK-U.S. framework agreement is good for us; however, what is more important is sovereignty.

We will not adhere to the DPRK-U.S. framework agreement while seeing our sovereignty infringed upon [chimhaedanghamyonso]. Our people value national dignity and sovereignty as much as life. No matter how hard one tries to infringe upon our sovereignty by citing whatsoever question, this will never work with us.

Our sovereignty is rock-firm and is not affected by anyone's interference or anyone's influence.

No one can order us to do this or that.

The United States has proposed that political talks be held. However, under the present circumstances we cannot trust them as to whether they sincerely wish to solve the question.

From the very beginning, we have thought that the United States is not trustworthy [midulgosi mottoenda]. In recent years, we have more keenly realized this because the United States says one thing then does another; it easily breaks what it had once promised.

We can understand this by citing only a few facts. Even though the United States promised in the DPRK-U.S. framework agreement that it would not threaten us [uriru1 haekuro wihyophaji ankkettago] with the nuclear issue, it is engaging in acts to the contrary.

Even though the United States promised not to link the implementation of the agreement with North-South dialogue, the United States has pertinaciously talked about the resumption of North-South dialogue. We can enumerate more such examples.

Because the United States is throwing away faithfulness and promises like worn shoes, no one knows what act the United States will engage in next.

The question is dependent upon the United States behaving itself with a changed position or action to the extent we can trust it [ipchang pyonhwana haengdonguro uriga midulsuikke].

If the United States continues to do wrong [kyesok mottoege naondamyon], we will have no choice but to strongly cope with this with an independent measure [chajujok chochiro].

We are not speaking empty words. The United States should not try to test our will; it better act with discretion while pulling itself together.

Daily: U.S. Position on LWR's 'Unreasonable'

SK0605051395 Pyongyang KCNA in English 0501 GMT 6 May 95

["Solution Depends on U.S. Stand"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA)—Some forces of the United States are now crying for "sanctions" again, while foolishly attempting to shove off to another the blame for the rupture of the Berlin negotiations concerning the provision of light water reactors [LWRs] to the Democratic People's Republic of Korea.

In this regard, NODONG SINMUN today says the rupture of the negotiations is attributable to the fact that the United States pressed for demands unacceptable to the DPRK, insisting on the supply of non-existent South Korean model LWRs.

The news analyst further says:

We have declared more than once that if the U.S. delays a solution to the issue, insisting on the delivery of "South Korean LWRs," we will take independent measures. This position remains unchanged. It is entirely dependent on the U.S. stand whether we restart the frozen nuclear program or not.

If the U.S. rescinds its unreasonable position now and seeks a solution to the issue, we will negotiate with it again with good faith. But if it persists in its unreasonable position, we cannot but go our way as we have already decided.

The DPRK-U.S. agreement is good to us. But sovereignty is more valuable for us.

We have no intention to stick to the agreement with our sovereignty being encroached upon.

The U.S. has proposed political talks with the DPRK. But what has happened in the U.S. makes us have suspicion that it really wants to resolve the issue. The point is that the U.S. wins our confidence with a change in its position or in deed.

If the U.S. steadily misbehaves itself, we will be left with no other choice but take independent measures to strongly cope with it. We never say empty words.

The U.S. would be well advised to pull itself together and act with discretion, instead of trying to test our will.

U.S. Said 'Hotbed,' 'Executor' of Terrorism

SK0705083295 Pyongyang KCNA in English 0825 GMT 7 May 95

["The United States Urged To Mind Its Own Affairs"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 7 (KCNA)—NODONG SINMUN today comments on annual report on "global terrorism" in 1994 published by the U.S. State Department listing the Democratic People's Republic of Korea and some other countries as "supporters of terrorism".

It is ridiculous that the United States which can hardly deal with its own affairs is hurling slanders at other nations, the news analyst of the paper says, and continues:

The United States is not in a position to talk about terrorism because it is the manipulator of international terrorism.

It was recently revealed that the U.S. Central Intelligence Agency provided the military of Guatemala with millions of dollars to conduct terrorist operations. This caused a great sensation in the United States and abroad. Synchronising with this, a government building in Oklahoma City of the United States was exploded to pieces by a strong bombing.

The United States is, indeed, the hotbed of terrorism and organiser, executor and supporter of terrorism.

The DPRK opposes terrorism of all forms. And it objects to fostering and supporting terrorism.

By listing the DPRK as a "supporter of terrorism", the United States reveals its true intention to intensify its moves to isolate and stifle the DPRK. What the United States seeks in the move is to justify its loud-mouthed theory of "threat from terrorism", impair the international prestige of the DPRK and check its influence. And it intends to find a pretext for a military invasion. The United States plans to stage large-scale joint military exercises with the South Korean puppets, reinforcing its Armed Forces in South Korea and its surroundings. This is to prepare a new state terror against the DPRK.

Facts more clearly show the true color of the United States as the sponsor of international terrorism.

No matter how desperately the United States tries to slander the DPRK, reversing black and white, it will get nothing from it.

The United States would be well advised to see itself in the mirror and mind its own affairs before finding faults with others.

U.S., ROK 'War Exercise' Planned for 8 May

SK0705082495 Pyongyang KCNA in English 0819 GMT 7 May 95

["United States and South Korean Puppets Plan To Stage Another War Exercise Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 7 (KCNA)—The U.S. warmaniacs and the South Korean puppets announced that they would stage a joint military exercise, another military manoeuvre against the North in South Korea from May 8, according to a foreign press report from Seoul.

It was reported that 8,000 U.S. troops and 4,500 South Korean puppet army soldiers would participate in the drill.

Warmongers of the United States and South Korea openly said that they would start the war exercise to replace the suspended "Team Spirit" joint military exercises and would jointly hold a drill on U.S. Army deployment on the Korean peninsula.

This is the premeditated and adventurous war provocation of the U.S. warmaniacs and the South Korean puppets against the North.

Their announcement of a new drill to replace the "Team Spirit" after staging various kinds of war exercises in the sky, on the ground and in the sea is an open expression of their anachronistic ambition to put pressure on us with military threat and create favorable situation for them.

But the United States and the South Korean puppets should not act recklessly, mindful that no military threat and pressure will work on us and that the tigermoth is doomed to burn to death.

ROK Reportedly Brings Guns Illegally to DMZ

SK0605042095 Pyongyang KCNA in English 0407 GMT 6 May 95

["Military Provocation in DMZ"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA)—The South Korean puppets on Thursday illegally brought a 90 mm recoilless gun and 12.7 mm machine gun into an MP post in the Demilitarized Zone (DMZ) of the central sector of the front to gravely threaten the life of People's Army soldiers, and deployed more than 60 armed bandits in a combat position, whipping up war hysteria, according to military sources.

This is part of the Kim Yong-sam puppet clique's deliberate and premeditated moves to increase tension in the DMZ.

'Military Provocation' Denounced

SK0705081295 Pyongyang KCNA in English 0809 GMT 7 May 95

["Military Provocation in DMZ"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 7 (KCNA)—The South Korean puppets on May 5 illegally brought a 90mm recoilless gun and 12.7mm machine gun and a large number of armed bandits of the puppet army into the Demilitarized Zone (DMZ) of the central and eastern sectors of the front to commit a grave military provocation threatening the personal safety of civil policemen of our side, according to military sources.

The continuous provocations in the DMZ are the Kim Yong-sam fascist clique's premeditated moves to incite division and confrontation between the North and the South.

Paper: Taegu Result of 'Antipopular Policies'

SK0605101895 Pyongyang KCNA in English 1014 GMT 6 May 95

["Result of Anti-Popular Policies"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA)—NODONG SINMUN in a commentary today says that the heavy human and material losses by the recent large gas explosion in Taegu, South Korea, are the result of the anti-popular policy of the Kim Yong-sam group.

The news analyst goes on:

As it did whenever accidents happened the Kim Yong-sam group let the puppet prime minister "apologize" for the fatality. This time, however, it was taken by the nape of the neck.

Whenever the crises threatening the "civilian regime" such as failure of policies and accidents were created in South Korea, the traitor Kim Yong-sam was bent on finding excuses. This time, too, he played cheap tricks to control the crisis, but lifted a rock only to drop it on his own toes.

The latest accident gives a lesson again that the South Korean people have nothing to get but disasters and they cannot flee from accidents and threat of death under Kim Yong-sam's "civilian regime".

The Kim Yong-sam group lives on treachery, not paying attention to social democracy and people's life which require urgent solution in South Korea. Though large accidents, crimes and scandals continued, it did not take substantial steps, while clamouring for "check of the security situation" and "prevention". It is entirely just that people say that frequent accidents in South Korea are "man-made disasters" by the Kim Yong-sam group.

As long as the Kim Yong-sam "regime" remains, such catastrophic accident as this time can not be prevented in South Korea.

Ill sowers make ill harvest.

'Kim Yong-sam Ring' Said 'Threatening Peace'

SK0705120095 Pyongyang Korean Central Broadcasting Network in Korean 0650 GMT 7 May 95

[Unattributed talk: "The Kim Yong-sam Puppet Clique Should Not Run Wild Recklessly"]

[FBIS Translated Text] The Kim Yong-sam ring is now distorting facts, stating we are threatening peace and security on the Korean peninsula and in Northeast Asia. This is the manifestation of a vicious attempt to shield their crime of creating a nuclear danger and aggravating tensions on the Korean peninsula.

It is not us but the South Korean puppets that threaten peace and security on the Korean peninsula and in Northeast Asia. This is proven by the reality in South

Korea. As the entire world knows, the South Korean puppets brought numerous nuclear weapons into South Korea in collusion with foreign forces, and have turned the entire land of South Korea into a nuclear weapons armory.

Moreover, the puppets have been absorbed in developing their own nuclear weapons for a long time. The maneuvers of the South Korean puppets to develop nuclear weapons are now being perpetrated at a very grave stage. In fact, this poses a grave threat to the people of our Republic as well as the people of Asia.

Nevertheless, the South Korean puppets criticize us. This is truly ridiculous. The South Korean puppets, having filled the entire land of South Korea with nuclear weapons and having threatened us with foreign forces, are further absorbed in building up arms with the U.S. imperialists with the heinous intention of beginning a war on the Korean peninsula.

The U.S. bellicose circles are massively bringing arms into South Korea in collusion with the Kim Yong-sam puppet clique, which is desperately attempting to crush us with the help of foreign forces based on the Korean peninsula.

As has been reported, as part of its plan to modernize the U.S. Forces in South Korea, the United States brought 20 multi-purpose high-speed vehicles into South Korea, and is planning to bring in 500 more high-speed vehicles in the future.

The United States is planning to bring 150 Abrams tanks into South Korea in May, and 24 offensive Apache helicopters in the second half of this year, in addition to those deployed last year.

The United States is also planning to deploy additional heavy equipment for the U.S. Forces in South Korea this year, pushing ahead with a plan to improve the firepower of the (Emil) tank.

The U.S. bellicose circles are acting against the DPRK-U.S. agreed framework and are continuously building up the U.S. forces in South Korea in an attempt to apply military pressure against us.

The Kim Yong-sam traitorous clique, chiming in with this, begged the U.S. masters to sell them 168 air-to-surface missiles. The U.S. defense authorities said if these missiles are introduced, the South Korean armory will be augmented and the puppet Army's ground offensive capability will be enhanced.

Prior to this, the Kim Yong-sam puppet clique requested the United States sell them 100 new-style short range air-to-air missiles and bluffed about the so-called take-over ceremony for the newly introduced F-16 fighters.

The Kim Yong-sam puppet clique announced a plan to produce on its own equipment for a northward invasion, and is expediting the plan.

It is already known that last year the puppet clique was absorbed in bringing in various war equipment such as planes, ships, firing equipment for Cobra helicopters, and anti-artillery radar.

Along with the reckless arms build-up, the Kim Yong-sam puppet clique is continuously conducting war exercises and adventurous military provocations against us. As has been reported, the Kim Yong-sam puppet clique is conducting an adventurous joint military exercise with its masters—a war exercise that began at the end of April and will continue until the middle of May—mobilizing some 13,000 U.S. troops in South Korea in addition to troops stationed on the U.S. mainland and throughout the Pacific region, as well as numerous troops of the puppet army. At the same time, the Kim Yong- sam puppet clique is planning to conduct a large war exercise in October, mobilizing 120,000 troops of the three services of the puppet armed forces; it is already accelerating preparations for this.

The Kim Yong-sam ring conducted a joint military exercise in the Chejudo area in March that was participated in by a U.S. task force, including an aircraft carrier and the puppet fleet. Early in April in South Korean Kangwon and North Kyongsang Provinces, they conducted a large offensive-oriented war exercise for a northward invasion from the air, land, and sea, mobilizing 80,000 troops of the three services of the puppet armed forces and reservist forces.

At the same time, they are continuously conducting military provocations along the Military Demarcation Line. The reckless arms build-up, continuous war exercises, and military provocations perpetrated daily are committed amid the continuous reckless remarks made one after another by the Kim Yong-sam ring, such as the puppet Army's independent ability to conduct war, punishment, retaliation, and sanctions.

Reality proves that because the Kim Yong-sam ring is crazy about lighting the fuse of war, it is greatly straining the situation on the Korean peninsula, threatening peace in Northeast Asia.

The Kim Yong-sam ring is engaged in reckless war commotions, intervening in the implementation of the DPRK-U.S. agreed framework and attempting to lay obstacles against the agreement to reverse the situation in order to crush us.

Our people cannot help but feel a surging indignation at the Kim Yong-sam ring's antinational crime of laying obstacles to the implementation of the DPRK-U.S. agreed framework, of shifting blame for this onto us, and of attempting to achieve the criminal scheme to crush the fellow countrymen.

The Kim Yong-sam puppet clique should clearly see that if it turns on us, shifting blame onto us like one-day-old puppy incapable of fearing a tiger, it will be hit by a crushing thunderbolt; it should act with discretion.

Hanchongnyon Meeting Denounces ROK Government

SK0605060895 Pyongyang KCNA in English 0444 GMT 6 May 95

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA)—The South Korean Federation of General Student Councils (Hanchongnyon), a vanguard organisation of one million students in South Korea, held a gathering on the eve of its third term inaugural meeting at Kyongbuk National University in Taegu on the evening of May 4 with the participation of more than 35,000 students of over 100 universities and colleges, a Seoul based radio report said.

The students shouted anti-government slogans such as "Kim Yong-sam, Apologize" and "Kim Yong-sam, Step Down".

Put up here and there were five color placards denouncing the puppet authorities' suppression of the labor movement and demanding the withdrawal of the U.S. troops from South Korea, a placard bearing the words "We Express Condolences to Victims of Gas Explosion in Taegu" and posters symbolic of national reunification.

A cadre of "Hanchongnyon" spoke a word of welcome before an art performance of students of Kyongbuk National University at the gathering.

Earlier, the students marched through streets, scattering leaflets denouncing the puppet authorities' moves to cover up the truth behind the gas explosion in Taegu.

'Discretion' Urged for Japan on Nuclear Issue

SK0705081695 Pyongyang KCNA in English 0807 GMT 7 May 95

["Japanese Authorities Advised To Act With Discretion"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 7 (KCNA)—The Japanese authorities are clamouring for "sanctions" and "countermeasures" against the Democratic People's Republic of Korea as soon as the working-level negotiations between the DPRK and the United States on the provision of the light-water reactors (LWR) were ruptured owing to the unwarrantable behaviour of the United States.

Commenting on this scheme to create a new obstacle and complexity in the way of solving the nuclear issue of the Korean peninsula, a news analyst of MINJU CHOSON today says:

This scheme proves that Japan continues attempting to stifle the DPRK with the idea of hostility to the DPRK.

The nuclear issue of the Korean peninsula including the provision of the LWRs is not a matter into which the third party except the DPRK and the United States should poke its nose. This issue has been produced since the United States has deployed nuclear weapons in South Korea and posed a nuclear threat to the DPRK. Accordingly, the DPRK and the United States are directly responsible for the solution to this issue.

Nevertheless, the Japanese authorities are trying to poke their nose into the solution to the nuclear issue on the Korean peninsula, spreading a wrong rumour about the DPRK. This reveals their sinister intention to bar the solution to the nuclear issue on the Korean peninsula and justify their nuclear armament.

Having equipped itself with all nuclear production facilities and developed means of nuclear warheads, Japan is foolishly trying to get something with "sanctions" and pressure" against the DPRK over the fictitious "nuclear issue".

No "sanction" and pressure will work on the DPRK.

"Sanctions" and pressure will render the situation of the Korean peninsula more strained and exert an irretrievable consequence upon Japan, a neighbouring state.

Japan had better act with discretion, mindful that it will be caught in its trap if it persists in its ill-natured doing out of its senses.

Japan 'Cannot Shirk Responsibility' for 'Crimes'

SK0805101695 Pyongyang KCNA in English 1002 GMT 8 May 95

["Japanese Authorities Cannot Shirk Responsibility"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA)—It is only too natural that the participants in a meeting of a modern-type slave working group of the U.N. Commission on Human Rights recently held in Geneva urged the Japanese authorities to make a clean sheet of all their wrongdoings of the past, says NODONG SINMUN today.

The analyst says all the anti-ethical atrocities committed by Japan in Korea in the past were crimes of national and international characters violating international law.

This notwithstanding, the Japanese authorities still refuse to admit the crimes or atone for their wrongdoings of the past, not making an official apology and compensation for them, the analyst says, and continues:

The Japanese authorities argue that the problem of the liquidation of the past has been resolved in view of what they call "treaties". This is a trick to mislead public opinion.

The "treaties" concluded by Japan after the war are all unjustifiable. It is self-evident that these "treaties" cannot lead the problem of postwar settlement to a solution which accords with impartiality and international justice.

Japan should not resort to a trickery, but make a due apology, reparation and compensation for all her crimes including the problems of all victims to the slavery, soldiers and Army employees. The Japanese rulers are trying to meet the international demand for the liquidation of the past with an empty talk such as "repentance" and "apology". This reveals their shamelessness and craftiness.

The liquidation of the past is an obligation from which Japan can no longer escape, and a solemn demand of the times.

The world's progressive people who love justice and truth are watching the attitude of Japan.

Central Committee Sends Greetings to Yeltsin

SK0805110895 Pyongyang KCNA in English 1101 GMT 8 May 95

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA)—The Central People's Committee of the Democratic People's Republic of Korea sent a message of greetings to Boris Yeltsin, president of the Russian Federation, on the occasion of the 50th anniversary of the victory in the war against Germany.

The message expressed the belief that the relations between the DPRK and Russia would continue to develop by joint efforts of the two countries.

Further Reports on Cameroonian Delegation Visit

Yi Chong-ok Meets Delegation

SK0505221395 Pyongyang KCNA in English 1525 GMT 5 May 95

[FBIS Transcribed Text] Pyongyang, May 5 (KCNA)—Vice-president Yi Chong-ok met and had a friendly talk with the delegation of the National Assembly of Cameroon led by its president Cavaye Yeguie Djibril [name as received] at the Mansudae Assembly Hall today, which paid a courtesy call on him.

Present there were Yi Mong-ho, secretary of the Standing Committee of the Supreme People's Assembly, and Cameroonian Ambassador to Korea Etian Elain-Elle.

Yang Hyong-sop Attends Party

SK0605055395 Pyongyang KCNA in English 0441 GMT 6 May 95

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA)—The Cameroonian parliamentary delegation on Friday evening gave a party at the Ognyu Restaurant on concluding its visit to Korea.

Invited to the party were Chairman of the Supreme People's Assembly Yang Hyong-sop, Chairperson of the Korea-Cameroon Friendship Parliamentary Group Yi Sun-im and other officials concerned.

Members of the Cameroonian parliamentary delegation led by its President Cavaye Yeguie Djibril [name as received] and Cameroonian Ambassador to Korea Etian Elain-Elle were present there.

Toasts were exchanged at the party.

Yi Chong-ok Meets Outgoing Malaysian Ambassador

SK0505221195 Pyongyang KCNA in English 1523 GMT 5 May 95

[FBIS Transcribed Text] Pyongyang, May 5 (KCNA)—Yi Chong-ok, vice-president of the Democratic People's Republic of Korea, met and had a talk with Datuk Noor Adlan, ambassador of Malaysia to the DPRK, who paid a farewell call on him at the Mansudae Assembly Hall today.

Present there were Choe U-chin, vice-minister of Foreign Affairs and officials of the Malaysian Embassy.

Foreign Guests Praise Monuments in Pyongyang

SK0505220595 Pyongyang KCNA in English 1509 GMT 5 May 95

["Wonderful Economic Power, Architecture of Korea"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 5 (KCNA)—Foreign guests expressed their deep impressions of the grand monumental edifices in Pyongyang and other towns.

Francois Pilot, secretary general of the international military sports council, said after visiting the West Sea barrage built across eight kilometres of the Korean West Sea, that the mission of the Army is known as to defend the country against foreign aggressors but in Korea the Army not only defends the country but also takes part in the building of the economy.

Ivan Bonev, one of his companions, said the West Sea barrage is really grand. He continued:

"The construction of such a grand edifice in a short period fully proves that the Korean people have a great potential and that the economic power of Korea is strong".

James Pak, head of the tourist group of the high-grade taekwon-do players from Canada, after visiting the Tower of the Chuche Idea, said that in Pyongyang he marveled at the reality beyond imagination, adding:

"Pyongyang is a very wonderful city."

Hisashi Kuwata, member of the 4th tourist group from Japan, after visiting the Grand People's Study House, said that in Korea people of all walks of life learn unlike in Japan or the United States.

He stressed that seeing lots of data needed for study and modernly-appointed lecture rooms, he felt Korea in which all the people are learning will be prosperous.

Ellen Widner and Juliet Oentzkow, members of the Cheil tourist group of the United States, said the chuche idea is fully applied in the reality of Korea and that they learned what true politics serving the people is like.

Kim Chong-il Work Views Politics of Benevolence

952C0093A Pyongyang NODONG SINMUN in Korean 28 Dec 94 p 2

[Article by Choe Chong-pil: "A Scientific Elucidation of the Mode of Governing for Socialist Society"]

[FBIS Translated Text] To elucidate scientifically the question of the mode of governing fitting the inherent demands of socialist society is an important task linked to the destiny of socialism.

The great leader Comrade Kim Chong-il has given that scientific elucidation in his classic work "Socialism Is Science."

The great leader Comrade Kim Chong-il pointed out as follows:

"Benevolent government is our traditional mode of governing. The great leader Kim Il-song planted its historical root early on during the days of the anti-Japanese revolution and he deepened and developed it further as the revolution and construction moved forward."

The mode of governing includes how to control and manage the state and society. The work to control and manage the state and society is a work done with people as its object. Therefore, the question of the mode of governing is a question of how to inspire, organize, and mobilize people. Each society has its own mode of governing. Thus, an exploiting society, in which the handful of members of the exploiting class holds the state sovereignty and means of production in their hands, has its antipeople, bureaucratic mode of governing designed to ensure their control of the working masses and impose the will of the exploiting class upon the broad masses of working people to gratify their avarice.

In socialist society, the masses of people are the masters of everything. In it, it is none other than the masses of people who are the masters of politics. Its mode of governing, therefore, must make the masses of people the masters of society and prompt them to acquit themselves fully of their responsibility and role as masters.

To establish and embody the socialist society's mode of governing is a very difficult, complex task. It means a great revolution in the sphere of social reform, as great as the task of instituting a socialist regime and establishing socialist ownership on the means of production. The mode of governing of socialist society is not something that would come automatically once a socialist system is established. Nor is it a matter that can easily be elucidated by anyone. Only a preeminent leader of the working class endowed with brilliant ideological-theoretical wisdom, outstanding leadership, and a noble character, namely, a great politician, can elucidate scientifically a mode of governing fitting the inherent demands of socialist society and embody it brilliantly.

In our country, thanks to the sagacious leadership of the great leader and the great leader Comrade Kim Chong-il, the question of the mode of governing for socialist society has found a brilliant solution.

The great leader, who, with "the people are God" as his motto, always lived with the people sharing his lot with them, founded the proud history of benevolent government—the true way of governing the people—in our country. The great leader Comrade Kim Chong-il, embodying the love for the people in the highest form of sublimity, is carrying forward, and developing unceasingly, the brilliant tradition of benevolent government founded by the great leader.

The benevolent government of the great leader Comrade Kim Chong-il is based on infinite love and trust for the masses of people. Love and trust are the essence of politics in our socialist society. Our party's politics of benevolence means to hold the people dear and provide them with every possible benefit. It is a politics of love and trust through which the party leads the sociopolitical lives of all people in a responsible manner. It is wide-ranging politics through which the party bestows love and trust on the people of all strata with no discrimination. The politics of benevolence, the politics of love and trust, is the unique mode of governing of our party. Fundamentally different from the bourgeois mode of governing which is linked to the power of money and characterized as a cruel, cunning politics of oppression and plunder, it is the most scientific, revolutionary, and people-oriented mode of governing fitting socialist society.

The fact that benevolent government is a mode of governing unique to socialist society has something to do with the intrinsic traits of that society.

Once a socialist system is established, class confrontation comes to an end and human relationships shift from confrontation and distrust to love and trust. In a socialist society, there are neither the exploiting nor the exploited; all members of society unite and cooperate with one another in a comradely manner for common goals. As socialist society develops, relationships based on comradely unity and cooperation, love and trust come to prevail with increasing solidity in all spheres of social life. In that society, love and trust bloom between the social collective and its members and among individual members of society, and such relationships find their loftiest expression in that relationship between the leader and his fighters. The leader bestows his deepest love and trust upon the revolutionary fighters while the latter devote all their infinite loyalty and piety to the leader; the whole society is thus united into one solid, sociopolitical, living body and all members of society press ahead adding luster to their sociopolitical lives. Herein lies the socialist society's inherent superiority. This intrinsic nature of the socialist society demands that the relationship of comradely unity and cooperation, love and trust be embodied in the finest possible way in all spheres of social life; in the political sphere, too, it demands a shift to a politics of love and trust. The mode of governing based on love and trust is the most scientific mode reflecting the relationship of love and trust blooming in socialist society and therefore fits the intrinsic nature of socialist society.

That benevolent government should be the mode of governing for socialist society is because politics is essentially a work with people as its object.

Politics is a social function of systematically organizing and commanding the activities of people in a way consistent with the interests of the class or society. In socialist society, the masses of people are indeed the masters of politics, but that does not mean that the masses of people come to spontaneously acquit themselves fully of their responsibility and role. They do so only when a correct mode of governing is established.

People bring their revolutionary fervor and creative positiveness into full play only when they are activated ideologically and inspired. A powerful weapon to inspire them is love and trust. When treated with love and trust, people come to uphold the politics of their party and leader wholeheartedly with a high, ideological resolution to repay it. Money and coercion cannot inspire people, but the heart can, absolutely. An unscientific and reactionary mode of governing cannot inspire people. Benevolent government that governs by inspiring the masses of people—the mode of governing by bestowing love and trust on the masses of people and prompting them to uphold the ideologies and leadership of their party and leader wholeheartedly—is the most people-oriented mode of governing.

The creative ideology of the great leader Comrade Kim Chong-il, presenting benevolent government as the mode of governing consistent with the inherent nature of socialist society, is the most correct guideline based on a scientific analysis of our practical experiences with the superiority of socialism, which is being fully demonstrated in our country.

In our country today, benevolent government, the politics of love and trust, is being practiced most brilliantly under the sagacious leadership of the great leader Comrade Kim Chong-il. To ultimately attain the socialist cause of chuche through the politics of love and trust for the people is the firm position of the great leader Comrade Kim Chong-il. In establishing lines and policies, the great leader Comrade Kim Chong-il proceeds from his infinite love and trust for the masses of people. And he implements them thoroughly by relying on the strength of the people. At the same time, the great leader Comrade Kim Chong-il is sagaciously leading functionaries to be faithful servants for the people and to take the position of looking after the destiny of the masses of people in a responsible manner and do their work by thoroughly relying on them. The fact that the will and demands of the masses of people are correctly reflected in the lines and policies of our party and that all functionaries are serving the people faithfully, as we see it today, is something inconceivable apart from the great leader Comrade Kim Chong-il's benevolent government.

Our people, deeply grateful for the politics of benevolence of our party, are devoting themselves body and soul to struggles to repay it with loyalty.

The party and the leader govern the people with love and trust while the people uphold the leadership of the party and the leader with loyalty and piety, and in this very fact lies the secret of the success story of our way of socialism. In our country where benevolent government is a reality, the party serves the people faithfully under the slogan "We Serve the People" while the people hold aloft the slogan "Once the Party Decides, We Do It" and fight to carry out the plans and intent of the party and the leader, determined to dare flood and fire. This proves that the mode of governing based on love and trust is the only mode of governing with the invincible strength bringing the superiority of socialism into full play.

The fact that the great leader Comrade Kim Chong-il has presented the creative ideology that benevolent government is the socialist mode of governing is of great theoretical and practical significance in defending, protecting, and attaining the socialist cause.

The question of whether or not the masses of people in socialist society can participate in the management of the state and society as the true masters of politics—and in a manner worthy of the masters—is the most important question with a serious impact on the consolidation and development of socialist system and on the outcome of socialist construction. In the past, however, many people, clinging to old theories that politics is regulated by the economic system, thought that once a socialist system is established, the task of managing the state and society can be resolved easily. This led to failure to correctly resolve the question of creating a new mode of governing that suits the inherent nature of socialist society. Socialist regimes were put in place all right but many vestiges of the old mode managed to find their way back to life. As those vestiges, such as influence-wielding and bureaucratism, revived, the work to manage the state and society was divorced from the masses of people, its masters. It became the work of specific people, causing the people's confidence in their party and state to suffer and destroying the unity and solidarity of the masses of people. The consequences were grave. In the final analysis, the collapse of socialism in some countries is not the fault of socialism itself; to a large extent, it was caused by the failure to establish a correct mode of governing fitting the inherent nature of socialist society. Benevolent government, the politics of love and trust as is practiced by the great leader Comrade Kim Chong-il, is the correct mode of governing making the masses of people the masters of politics and ensuring their positive participation in politics. If the working class parties are to build socialism successfully, they must govern with benevolence.

The ideology of the great leader Comrade Kim Chong-il that benevolent government is the socialist society's unique mode of governing is a powerful ideological-theoretical weapon that can shatter the maneuvers of imperialists to denigrate socialism.

With regard to the collapse of socialism in various countries, imperialists today, while slandering and vilifying socialism, are busy beautifying and embellishing bourgeois ideologies, raving about a "multiparty system" or "parliamentary democracy." Black and white cannot be reversed, however. In a socialist society in which money controls everything, the masses of people are treated as nothing more than a means of commodity production; they are nothing more than the objects of politics. Benevolent government, the politics of love and trust, has now been shown as the socialist mode of governing, and this has exposed the reactionary and antipeople nature of bourgeois politics, demonstrating the intrinsic quality of the incomparably superior socialist politics. It serves as a powerful theoretical and practical weapon for shattering the antisocial maneuvers of imperialists, and to defend and ultimately attain the socialist cause.

The socialist mode of governing elucidated by the great leader Comrade Kim Chong-il is the most people-oriented and revolutionary mode of governing, with its correctness and invincible vitality already fully demonstrated in the course of our revolutionary practice.

All the party members and working people must highly uphold the leadership of the great leader Comrade Kim Chong-il with loyalty, cherishing deep in their hearts the infinite pride and confidence that they live and carry out the revolution in the most superior, socialist society with its great mode of governing.

10-Month Anniversary of Kim Il-song Death Noted

SK0805103895 Pyongyang KCNA in English 1032 GMT 8 May 95

["Ever-Deepening Longing for President Kim Il-song"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA)—It is ten months since the whole land of Korea was enveloped in the greatest misfortune ever in the history spanning five thousand years.

The hearts of the Korean people are still filled with the bitter sorrow at the loss of the great leader President Kim Il-song. Their longing for him is getting intense as the days and months pass by.

The people of all social strata and soldiers, therefore, are steadily visiting the statues of President Kim Il-song erected in different parts of the country, their hearts filled with irresistible yearning for him.

More than 25,000 people from all walks of life visit Mansu Hill in Pyongyang on a daily average.

On May 1 when the calls of the Central Committee of the Workers' Party of Korea were published on its 50th foundation anniversary, as many as 35,000 party members, working people and People's Army soldiers went to Mansu Hill to express their ardent reverence for President Kim Il-song, the founder of the great party, before his statue.

The visitors to his statues look back with deep feelings on the brilliant life of President Kim Il-song who devoted his all to the liberation and prosperity of the country and to the freedom and happiness of the people, and harden their determination to work in one mind for the prosperity and development of the country, thus honoring their duty as his soldiers and disciples.

Kim Chung-pae, vice-director of the Agricultural Department of the State Agricultural Commission, had this to say:

"Upon entering may, we more vividly picture the tender-hearted image of the fatherly leader President Kim Il-song who directed farm work, walking routes along edges of fields across the country.

"We will bring in a bumper harvest this year and carry his noble intention into effect."

Kim Kon-il, chief engineer of the Pyongyang Thermal Power Complex, said:

"We cannot forget the great efforts of the fatherly leader who chose a lot to build the power station and built such a powerful electricity generating base as it is today.

"We will finish the general repair of boiler No. 9 now under way in a short span of time and operate all facilities at full capacity, thus implementing the behests of the fatherly leader to increase the power production."

Colonel General of the Korean People's Army Pak Chae-kyong vowed he would defend the socialist motherland like an impregnable fortress under the guidance of the great leader Comrade Kim Chong-il held in high esteem as the supreme commander of the revolutionary Armed Forces, true to the behests of the respected leader Comrade Kim Il-song to dynamically work for the socialist construction and the country's reunification with a wholehearted loyalty to Comrade Kim Chong-il.

Resolutions of loyalty were also shown on the faces of the officials of the State Light Industry Commission, the workers of the Pyongyang Coal Mining Machine Factory, the officers and men of the People's Army and students at all levels, who visited Mansu Hill with the faith that "the great leader Comrade Kim Il-song will always be with us".

"The respected leader Comrade Kim Il-song is immediately the great leader Comrade Kim Chong-il and the great Comrade Kim Chong-il is precisely respected Comrade Kim Il-song" and "Let us remain boundlessly faithful to the idea and leadership of the great Comrade Kim Chong-il, always remembering that we are blessed with great leaders generation after generation", these are the very unanimous faith and will of the Korean people.

Editorial Urges 'Upholding' of Kim Il-song

SK0805105095 Pyongyang KCNA in English 1043 GMT 8 May 95

["Let Us Uphold President Kim Il-song as Sun of Chuche For All Ages"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA)—"Let Us Uphold the Great Comrade Kim Il-song as the Eternal Leader of Our Party and People, the Sun of Chuche, For All Ages!" which is one of the calls of the Central Committee of the Workers' Party of Korea published on the occasion of the 50th anniversary of its founding is the firm will of the Korean people, says NODONG SINMUN in an editorial today. It calls upon the party members and working people to boundlessly revere and uphold Comrade Kim Il-song as the father of the nation and the sun of chuche.

The call clearly reflects the unanimous aspiration and desire of our party and people to vigorously advance along the road of revolution, upholding the great Comrade Kim Il-song as the leader of the party and revolution forever, says the editorial.

It quotes the great leader Comrade Kim Chong-il as saying:

"Our people are burning with the will to uphold the respected leader with loyalty forever, bearing deep in mind the national pride and honour of holding him in high esteem."

We should keep in mind the great honour of the nation who held the great Comrade Kim Il-song in high esteem as the leader and exalt the glory of the Kim Il-song nation forever, the editorial says, and goes on:

All the party members and working people should uphold the great leader Comrade Kim Il-song better than in his lifetime with the firm faith that he will always be with us. We should make our posterity boundlessly revere and uphold him as the father of the nation and the sun of chuche down through generations.

At the same time, we should firmly defend and exalt his immortal revolutionary exploits performed for the motherland, the people, the time and the revolution. We should make our nation shining with the august name of the great leader demonstrate to the world the pride of a more powerful and prosperous nation in the spirit of the Korean nation first.

Laying stress on upholding the leadership of the great Comrade Kim Chong-il with loyalty, the editorial points out:

All the party members and working people should be boundlessly loyal to the leadership of Comrade Kim Chong-il with the firm conviction that Comrade Kim Il-song is respected Comrade Kim Chong- il and Comrade Kim Chong-il is the Workers' Party of Korea.

The party members and working people should absolutely worship and follow the great leader Comrade Kim Chong-il as a defender of the destiny and the great father of the nation and hold him forever in high esteem.

Political Essay Views 'Great Man' Kim Il-song

SK0805105895 Pyongyang KCNA in English 1049 GMT 8 May 95

["Great Man and Foresight"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA)—It is ten months [as received] after the death of the great leader Comrade Kim Il-song. We feel deeply that he was the greatest of great men with the distinguished gift of foresight, peerless in history.

NODONG SINMUN today notes this in a political essay entitled "Great Man and Foresight".

The essay quotes the great leader Comrade Kim Chong-il as saying:

"Our leader was, indeed, a prominent great man gifted with foresight. Such a great man could be found in no country of the world."

It says:

Comrade Kim Il-song was a great man who looked farthest ahead into the future in the world, and a peerless great man who had done all he could for the generations to come, taking count of all affairs which may occur in the future.

He has been praised by peoples of the world as a genius of thought and theory, a great master of leadership and a personifier of virtues. All his greatness becomes more distinguished with the farsightedness.

The chuche idea is the great idea that throws immortal rays thanks to his distinguished foresight, the essay stresses, and continues:

The chuche idea, an idea centred on man and the masses, was founded by our leader who clearly foresaw the remote future of the country and the nation and humankind. With extraordinary farsightedness he fully expounded all the principles, laws of development of revolution and the whole course of social development, grasping them like the palm of his hand.

He built in this land a powerful socialist state independent, self-supporting and self-reliant in defence. All his feats show us his unusual ability to see our destiny in the remote future.

We also thinks of his great foresight when we experience in emotion the high virtues of the leader who brought up and took care of the people with love and trust, the essay notes, and stresses:

We have the great leader Comrade Kim Chong-il.

Respected Comrade Kim Chong-il, he is another outstanding great man, a peerless great man with distinguished ideological and theoretical wisdom and great foresight.

Guided by him, we always advance full of confidence in our future.

More Foreigners Visit Statue of Kim Il-song

SK0605054795 Pyongyang KCNA in English 0406 GMT 6 May 95

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA)—Zulkarnain Afri Pane, Indonesian ambassador E.P. [extraordinary and plenipotentiary] to Korea, the TNP tourist group from the U.S., the 3rd tourist group from Singapore, the 13th, the 17th, the 23rd and the 27th tourist groups from Japan called at the statue of the great leader President Kim Il-song standing on Mansu Hill to pay homage to him.

They laid bouquets of flowers before the statue and made a bow.

Kim Il-song Anti-Japanese Group Founding Noted

SK0505220895 Pyongyang KCNA in English 1522 GMT 5 May 95

["Great Lodestar of Great National Unity"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 5 (KCNA)—59 years have passed since the great leader President Kim Il-song founded the Association for the Restoration of the Fatherland (ARF) on May 5, 1936, during the anti-Japanese armed struggle.

The ARF was an anti-Japanese national united front organisation, the first of its kind in Korea, which embraced the communists, nationalists, workers, peasants, intellectuals, youth and students, conscientious national capitalists and religionists and all other patriotic forces that aspired after the independence of the country and opposed Japanese imperialism.

The tradition of national unity was established in Korea during the anti-Japanese revolutionary struggle waged in reliance on this anti-Japanese national united front.

President Kim Il-song had conducted energetic activities to firmly unite the Korean nation on the basis of patriotism and the spirit of national independence from the first days when he embarked upon the road of the revolution to the last moment of his life.

He had published "On the Building of New Korea and the National United Front" (October 13, 1945), "Let Us Prevent a National Partition and Reunify the Country" (June 23, 1973), "Let Us Achieve the Great Unity of Our Nation" (August 1, 1991), "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" (April 6, 1993) and many other works since the liberation of the country, and clarified the principled questions for all the Koreans in the North, the South and overseas to unite, placing the common interests of the nation before anything else, transcending difference in idea, system, political view and religious belief.

Under his wise leadership a joint conference of representatives of political parties and public organisations in the North and the South of Korea was convened in Pyongyang in April 1948 and the Democratic Front for the Reunification of the Fatherland embracing more than 70 political parties and public organisations in the North and the South was formed in June 1949.

Kim ku, choe tok sin, choe Hong hui and many other figures who had covered a pro-U.S. anti-communist road in the past could take the road of true patriotism for the nation, the road of rebirth, affected by the broad-minded generosity and great magnanimity of President Kim Il-song.

Yo Un-hyong who was the leader of the people's party, Rev. Mun ik hwan, the father mun kyu hyon, and rim su gyong, pak song hui and song yong sung who were delegates of the National Council of Student Representatives, and other South Korean figures and people from all walks of life visited the northern half of Korea in defiance of the obstructive motives of the splittists.

The August 15 pan-national rally and different functions took place with a large attendance of compatriots in the North, the South and overseas every year from 1990.

The National Alliance for the Country's Reunification and the National Alliance of Youth and Students for the Country's Reunification, patriotic organisations of the reunification movement, were formed and their affiliated organisations were built, which represent the common will of the compatriots in the North, the South and overseas.

The feats of President Kim Il-song in establishing the great tradition of the great unity of the whole nation are more powerfully encouraging the entire Korean people in their struggle to hold the grand national reunification festival celebrating the 50th anniversary of the liberation of the country.

Guidance Anniversary Marked in Sinuiju 5 May

SK0805032895 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 6 May 95

[FBIS Translated Text] A report meeting marking the 10th anniversary of the on-the-spot guidance of North Pyongan Province by respected and beloved leader [suryong] Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il was held in Sinuiju city on 5 May.

Kim Hak-pong, responsible secretary of North Pyongan Provincial Party Committee and chairman of the People's Committee of North Pyongan Province; other functionaries concerned; and workers of the province participated in the report meeting.

Kim Hak-pong gave a commemorative report. He said that all the party members and workers of the whole country are embracing the party Central Committee's slogan with great emotion on the occasion of the 50th anniversary of the founding of the Workers Party of Korea [WPK] and are firmly uniting around the great leader [yongdoja] Comrade Kim Chong-il. He also said that at a time when they are vigorously launching as one in the great socialist march to further make by country and my fatherland rich and powerful, they are significantly celebrating the 10th anniversary of when the respected and beloved leader [suryong] and the dear comrade leader [chidoja] made on-the-spot guidance of North Pyongan Province.

He emphasized the dear comrade leader's explanation of carrying out urban building and urban management work well. He said that party members and workers should have iron-like faith in that the great leader [suryong] Comrade Kim Il-song is eternally with us, and further firmly unite around the great leader [yongdoja] Comrade Kim Chong-il so that new miracles and innovations can be achieved in all fields of revolution and construction.

He emphasized that all functionaries, party members, and workers in the province should highly uphold the party Central Committee's slogan on the occasion of the 50th anniversary of the WPK founding and become creators and innovators of feats in implementing it so that they can actively contribute to making my country and my fatherland all the more rich and powerful.

Rally in Pyongyang Vows To Fulfill WPK Tasks

SK0505154595 Pyongyang KCNA in English 1536 GMT 5 May 95

[FBIS Transcribed Text] Pyongyang, May 5 (KCNA)—A Pyongyang mass rally was held at Kim Il-song Square today to fulfil the tasks set out in the calls of the Central Committee of the Workers' Party of Korea [WPK] which were published to mark the 50th birthday of the WPK.

It was attended by Vice-president Yi Chong-ok and Secretary of the WPK Central Committee Han Song-yong who are Politburo members, and other senior party and government officials as well as 100,000 people. They heard a report of Kang Hyon-su, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, and speeches of representatives of different social strata.

The reporter and speakers said the WPK has performed immortal exploits under the wise leadership of Comrade Kim Il-song. Under the banner of the chuche idea, it blazed the trail for the times and the revolution and victoriously carried out the revolutionary struggle and construction work in different stages, thus changing the appearance of the country and ushering in a new era of national prosperity and development in Korea.

The party members and other people celebrated the anniversary of the party foundation full of pride and joy every year in the presence of Comrade Kim Il-song. However, they have to celebrate the 50th birthday of the WPK in the absence of its founder. Their regret and bitter feelings are boundless, the reporter and speakers said.

At this historic juncture, the WPK published the calls of the party Central Committee, greatly exciting all people across the country and giving impetus to their loyal hearts a thousandfold, they added.

They described the calls of the party Central Committee reflecting the unshakable resolution and iron will of the great party as a militant banner for the whole party, all the people and the whole Army to defend and exalt the revolutionary cause of chuche and advance the Korean revolution to a new higher stage, united around the great leader Comrade Kim Chong-il with a single heart, and as a torchlight of the revolution which greatly encourages all people of the country in heroic efforts.

Fulfilment of the tasks set out in the calls of the party Central Committee, they continued, is an honorable work to strengthen the WPK as Comrade Kim Il-song's party forever and consolidate the firm singlehearted unity of the revolutionary ranks around General Kim Chong-il.

They vowed to thoroughly implement the calls of the party Central Committee with renewed determination and redoubled efforts, deeply cherishing the pride of having great leaders through generations, so as to effect a fresh upsurge in the struggle for strengthening the WPK and accelerating socialist construction and brilliantly adorn the October grand festival.

Noting that the most important and honorable task in implementing the calls of the party Central Committee is to remain faithful to the guidance of the great leader Comrade Kim Chong-il, they called on all the party members and other working people to staunchly struggle to steadfastly defend him politically and ideologically with lives and fully embody his idea and leadership in all domains of the revolution and construction and trust and follow only him with infinite loyalty and filial duty.

They said the working people in the city must rapidly increase the consumer goods production by developing light industry, reap bumper crops in this significant year and largely expand foreign trade and, at the same time, fulfil without fail the daily, monthly and quarterly quotas of the national economic plan on all indices, thus registering signal achievements to greet the October grand festival.

A resolution was adopted at the rally.

After the rally, the participants marched along the main streets of the city, shouting slogans.

Yi Chong-ok Attends Rally

SK0605004895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 5 May 95

[FBIS Translated Excerpt] All party members and working people throughout the country, who gratefully received the party's militant appeal arousing them to the general onward march to advance our revolution to a higher level, have vigorously launched into the struggle to glorify the 50th anniversary of the founding of the party as a great victors' festival, overflowing with a great passion and revolutionary zeal.

A Pyongyang mass rally was held at Kim Il-song Square on 5 May to completely implement the slogans issued by the Workers Party of Korea [WPK] Central Committee on the occasion of the 50th anniversary of the founding of the party. [passage omitted].

Seated on the rostrum were Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Hong Song-nam, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrades Kim Ki-nam and Kim Chung- nin, secretaries of the party Central Committee; Comrades Kim Hwan, Kim Pok-sin, Kim Yun-hyok, and Chang Chol, vice premiers of the Administration Council; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; responsible functionaries at party and government organizations, administrative and economic organizations, and working people's associations; heroes; anonymous meritorious people; standard-bearers of the three revolutions; and labor innovators. [passage omitted]

Kang Hyon-su Gives Report

SK0705121095 Pyongyang Korean Central Broadcasting Network in Korean 0804 GMT 5 May 95

["Report" by Kang Hyon-su, responsible secretary of the WPK Pyongyang Municipal Committee and chairman of the Pyongyang Municipal People's Committee, at a mass rally for the implementation of the slogans issued by the WPK on its founding anniversary held at Kim il-song Square in Pyongyang—live]

[FBIS Translated Text] Comrades:

Today, in an exalted environment—in which the entire party, all the people, and the entire Army are vigorously accelerating the general onward march to effect a new upsurge in socialist construction, firmly united around great leader [yongdoja] Comrade Kim Chong-il in one mind and one will—we hold a Pyongyang mass rally for the thorough implementation of the slogans issued by the Workers Party of Korea [WPK] Central Committee on the 50th anniversary of the founding of the party.

All our party members and working people are overwhelmed with great excitement to receive the party Central Committee's slogans that plainly reflect our people's unanimous aspiration and desire to consummate the chuche revolutionary cause pioneered in the thick forest of Mt. Paektu under the leadership of the great leader Comrade Kim Chong-il.

The foundation of our party by the great leader [suryong] Comrade Kim Il-song 50 years ago was the significant event of announcing all over the world the birth of the first chuche-type revolutionary party in the working class' party founding and building history, as well as a historic event that effected a fundamental change in pioneering our people's destiny and in the revolutionary struggle. [applause]

Our party pioneered the road of the times and the revolution and victoriously carried out the revolutionary struggle and construction in various stages for the past 50 years under the wise leadership of the great leader Comrade Kim Il-song, upholding the banner of the chuche idea, thus accumulating the immortal achievement of changing the appearance of the country and opening a new stage of national prosperity and growth in this land. [applause]

Beyond description is the sorrow and regret of our party members and people who have traditionally celebrated the party founding anniversary every year, filled with pride and joy and also with the attendance of the great leader Comrade Kim Il-song, founder of the party. However, they are now commemorating the 50th party founding anniversary without the founder of their party.

The benevolent image of the great leader who founded and victoriously led our party, as well as his immortal achievements, is glistening as a symbol of struggle and victory along with the party flag that shines with glory and is more deeply treasured by the people as days go by.

The great leader [yongdoja] Comrade Kim Chong-il, who completely personifies the leader's [suryongnim] ideas, art of leadership, and noble traits, stands at the head of the WPK, the strong and ever-victorious party founded, strengthened, and developed by the great leader. [applause]

Today, all party members and working people are accelerating the vigorous onward march with single-hearted unity around the great leader Comrade Kim Chong-il, bearing deep in their hearts the endless honor and happiness of being blessed with great leaders, generation after generation.

The 50th anniversary of the founding of the WPK, which has walked along the single road of victory and honor, is a significant event of demonstrating our party's half-a-century-long proud history and achievements and an important momentum for demonstrating all over the world the high dignity and esteem of our party, an ever-victorious party seasoned in the storms of the revolution, which upholds great leader Comrade Kim Chong-il at its top.

Our party announced its Central Committee's slogans on the historic occasion of the meaningful 50th anniversary of the founding of the party, thereby boundlessly inspired all the people throughout the country and greatly aroused their loyalty.

The party Central Committee's slogans, which have embodied the great party's steadfast determination and iron-strong will, are a militant banner for defending, protecting, and glorifying the chuche revolutionary cause and for advancing our revolution to a, new higher stage with the might of the single-hearted unity of the entire party, all the people, and the entire Army around the great leader Comrade Kim Chong-il. The slogans are also a revolutionary torchlight that vigorously encourages all the people throughout the country to carry out heroic struggles.

The party Central Committee's slogans elucidate the significance of the 50th anniversary of the founding of the party, as well as militant tasks to strengthen the ranks of the party and the revolution, to accelerate socialist construction, and to vigorously promote the fatherland's reunification and the popular masses' independence cause, based on (?the chuche idea) the fatherly leader prepared by devoting his whole life, and methods to implement the tasks.

To implement the party Central Committee's slogans is an honorable struggle to strengthen and develop our party forever as the party of the Comrade Kim Il-song and to further harden the single-hearted unity of our revolutionary ranks firmly united around the great leader General Kim Chong-il. The struggle to thoroughly implement the party Central Committee's slogans is also a worthwhile struggle to fully demonstrate the superiority of socialism of our own style by enriching and strengthening our country, our fatherland.

We, who have grown up as genuine revolutionaries and are enjoying boundless honor and happiness in the great party's bosom, take the greatest boast and pride in devoting all we have to the struggle to implement the slogans by heartily accepting the party's appeal.

All party members and working people in the capital city should thoroughly implement the party Central Committee's slogans with new determination, elevated courage, exalted spirit, while deeply bearing the blessing of having great leaders generation after generation. By doing so, they should effect a new upsurge in the struggle to strengthen our party and accelerate the socialist construction and (?successfully hold) the great national festival. [applause]

The great leader Comrade Kim Chong-il noted: Today, our party and people have the heavy and honorable task of consummating generation after generation the chuche socialist cause pioneered and led by the great leader Comrade Kim Il-song.

By vigorously accelerating the general onward march while upholding the party Central Committee's slogans issued on the 50th anniversary of the founding of the party, all party members and working people in the capital should defend, protect, and consummate to the last the chuche socialist cause, which was pioneered by the great leader [suryong] Comrade Kim Il-song and has been glorified by the great leader [yongdoja] Comrade Kim Chong-il.

Upholding the leadership of the great leader Comrade Kim Chong-il is the most important and honorable task in the struggle to implement all the slogans issued by the party Central Committee. The great leader Comrade Kim Chong-il is a great politician, a great strategist, and an ever-victorious and iron-willed general who is leading our party, people, and revolutionary Armed Forces along the single road of victory with his outstanding ideas and leadership. [applause]

Being aware that our fatherland and nation has a bright future because we uphold the great leader [yongdoja], all party members and working people should death-defyingly protect and defend the great Comrade Kim Chong-il both politically and ideologically. We should actively struggle to thoroughly embody Comrade Kim Chong-il's ideas and leadership in all sectors of the revolution and construction, possessing boundless loyalty to the great leader Comrade Kim Chong-il, and should be his genuine subjects and dutiful children, always trusting and following only the respected and beloved general.

Our single-hearted unity around the party and the leader is the source of the invincibility of our party and the banner of our ever-victorious revolution. [applause]

All party members and working people should always and deeply bear the teaching left by the fatherly leader; unite even more firmly around the great leader Comrade Kim Chong-il; and brilliantly achieve the great leader's [yongdoja] ideas and intent in the struggle to meaningfully celebrate the 50th anniversary of the founding of the party so as to fully demonstrate the stout trait of our people who live and advance with the spirit of single-hearted unity. [applause]

The ideological revolution is a leading part of the revolution, and the ideological struggle is an acute front of the struggle for unity with [word indistinct]. We should adhere to the chuche idea provided by the party and should vigorously carry out the ideological revolution so that we can more greatly display the might of socialism.

All party members and working people in the capital should thoroughly arm themselves with the great leader Comrade Kim Il-song's revolutionary ideas and vigorously accelerate the revolution and construction, all the while adhering to the great chuche idea, our party's eternal guiding idea, as the only guideline.

We should arm ourselves more firmly with our party's revolutionary traditions created by the great leader Comrade Kim Il-song and greatly display the Korean people's best spirit of valuing our leader, our party, the chuche idea, and our country's socialism above all else.

To effect a new upsurge in socialist economic construction is an important revolutionary task to protect and defend the popular masses-oriented socialism of our own style and to glorify our country, our fatherland. What is important in the ongoing socialist economic construction is to thoroughly implement the party's revolutionary economic strategies.

Upholding the party's agriculture-first policy, agricultural working people in the capital should practically carry out all kinds of farming work in accordance with the demand of the chuche farming method and should effectively use arable land to the utmost so as to remarkably increase grain production. By doing so, they should fulfill their duties as masters of the country responsible for the national economy.

Remembering the great leader's behest that growing vegetables is the key element in farming uncultivated land, all functionaries from rural economic sectors and agricultural workers in the city should generally round off the system of managing idle land converted into vegetable fields and should cultivate vegetables scientifically and technologically so as to increase the per-chongbo vegetable yield and supply sufficient fresh vegetables to citizens of the capital in all seasons.

For the present, by successfully guaranteeing the transplantation of the humus-potted maize seedling and the rice-transplantation struggle, they should glorify this year with a great harvest, for this year is a significant year marking the 50th anniversary of the founding of the party.

Decisively increasing the people's consumer goods by rapidly developing light industry is an important lesson to enhance the people's standard of material and cultural living.

All party members and working people in light industry in the city should operate light industrial and foodstuff plants prepared by the party at full capacity, highly displaying the revolutionary spirit of self-reliance and fortitude as well as the spirit of devotedly serving the people. As a result, they should increase the production of the people's consumer goods such as cloth, shoes, and underwear as well as such various foodstuffs as delicious food with a high nutritive value.

In conformity with the changed environment, functionaries in the export and trade sector should positively pioneer the external markets and strongly build export production bases, largely developing the processing trade.

In successfully achieving the economic construction strategic goal as presented by the party, it is important to develop the metal industry, giving priority to the coal industry, power industry, and railway transportation.

The working class in all coal mines throughout the city, including the Kangdong Coal Mining Complex, should excavate more coal by cherishing deep in their hearts a sense of responsibility that they are taking charge of the fuel for industry. As a result, they should satisfy the daily increasing demands for coal made by the national economy.

Workers at power plants, including the working class of the Pyongyang Thermal Power Plant Complex, should guarantee the full operation of all power plant facilities as well as vigorously carry out the struggle to operate them at full capacity. As a result, they should actively increase power production. Along with this, all plants and enterprises should reasonably carry out the organization of production, actively saving power and utilizing it to the maximum.

The national economic plan is a pillar of the party and an asset of the state. Working people from all sectors and units throughout the city should vigorously carry out the loyal fight to endlessly fulfill the revolutionary tasks assigned them, using their own might and assuming responsibility for its realization. As a result, they should make efforts to present a proud gift of labor during the grand October festival, surely carrying out national economic plans on a daily, monthly, quarterly, and index basis.

Strengthening the country's defensive capability is an all party-oriented and all people-oriented work. All party members and working people in the capital should arm themselves with the party's chuche-oriented view of war and, by thoroughly implementing our party's self-defensive military line, should make every preparation for destroying any enemies at a stroke, no matter how challenging they may be. [applause]

We should thoroughly establish an ethos of attaching importance to military affairs throughout society and of more highly displaying the beautiful virtue of Army-people unity, loving and assisting the People's Army units as our own flesh and blood. As a result, we should actively contribute to strengthening the tradition of our People's Army units.

With a high sense of revolutionary vigilance, we should always work and live in a combatant manner in strained and mobilized situations, sharply paying attention to our enemies' every movement in compliance with the demands of the strained situations. Also, we should make the entire society overflow with the sound revolutionary ethos of life.

We should willingly observe public morality and social order by cherishing a noble ethos as befitting the citizens of the capital, always being polite in any place.

Thoroughly preparing the grand ceremony to mark the 50th anniversary of the founding of the party is one of the important tasks assigned to us. By cherishing in their hearts a burning loyalty to the party and the leader [suryong], citizens who are [word indistinct] should vigorously assist the construction of the grand monumental creations such as building the party-founding memorial tower, the second-phased construction of Chongnyu Bridge, and the Kumnung tunnel, all of which are now being built according to the grand plan of the great leader Comrade Kim Chong-il. As a result, they should significantly greet the 50th anniversary of the founding of the party and actively contribute to glorifying our party's glorious revolutionary history and to gaining the immortal achievement by completing their construction before 10 October.

Devoting everything to the struggle to thoroughly implement the party Central Committee's slogan is an honorary duty and filial obligation assigned to all of us. All party members should find a breakthrough for an advance and glorify each moment of their life as a proud feat by becoming essentials and vanguards in all combatant fields, not forgetting even for a moment the pledge they promised before the banner of the party when they joined the party. [applause]

With dynamic energy and a desire for work, leading functionaries should run forward over and over again and should go down deep into the masses, cherishing deep in their hearts the party's faith and expectation. By so doing, they should vigorously inspire party members and working people to launch an all-out drive of loyalty by carrying out political works and by setting examples and showing by practice rather than precept.

Party organizations at each level should further strengthen the party leadership to administrative and economic work and carry out the great propaganda and agitation offensive to implement the party Central Committee's slogan. As a result, they should make the flame of innovation vigorously spread into every combatant field on the all-out march.

Working people's organizations, including the League of Socialist Youth of Korea and the General Federation of Trade Unions of Korea, should strengthen the ideological and indoctrination work for union members and more firmly make them unite around the party, thus actively carrying out the socialist economic movement. By so doing, they should brilliantly glorify the 50th anniversary of the founding of the glorious WPK with a high sense of political zeal and proud achievement of labor.

Today, even if the tasks assigned to us are enormous, we have a firm guarantee that enables us to win all victories. Ever-victorious is the chuche revolutionary cause, the socialist cause, that moves forward under the refined leadership of the great Comrade Kim Chong-il, the great commander of all ages and the great man of the century.

All of us should single-heartedly unite as one around the great leader Comrade Kim Chong-il and vigorously fight on to hasten consummating the socialist cause and achieving national reunification, upholding the party Central Committee's slogan. [applause]

Hurrah for the revolutionary idea of Comrade Kim Il-song, the great leader of our party and people.

South Korea

No NNSC Decision Planned in Polish Absence

SK0705020695 Seoul THE KOREA HERALD in English 7 May 95 p 2

[FBIS Transcribed Text] The Neutral Nations Supervisory Commission (NNSC) continues to function despite North Korea's recent eviction of the Polish delegation and its attempt to cripple Military Armistice Commission and its monitoring body, the three NNSC delegations have vowed.

In a statement released Friday, the top NNSC representatives from Sweden, Switzerland and Poland said that the Swedish and Swiss delegations will continue to hold weekly meetings at the NNSC headquarters in Panmunjom. However, no decision will be taken in the absence of the Polish delegation, they added.

The Polish delegation will join the two other delegations for a meeting of the neutral peacekeeping monitoring body "at least every three months or when deemed necessary," they said in the statement released after they met at an NNSC office in Seoul.

The Polish delegation, which was expelled from North Korea in February, will operate temporarily from Warsaw until either North Korea reinstalls it or the signatories of the armistice agreement agree on a replacement of the Polish delegation, said the statement.

North Korea Wednesday announced it would close the northern side of the NNSC building at the truce village of Panmunjom and would ban the peacekeeping monitors from entering the northern side of its territory without a prior permission.

North Korea expelled the Czech delegation in 1993 to the NNSC. The Polish and Czech delegations monitored armistice at the northern side, while the Swedish and Swiss delegations in the southern side.

UNC on Reports of U.S.-North Officers Talks

SK0705011295 Seoul THE KOREA HERALD in English 7 May 95 p 2

[By staff reporter Yi Sung-yol]

[FBIS Transcribed Text] Gen. Gary E. Luck, commander-in-chief of the United Nations Command (UNC), will soon submit to the U.N. Security Council (UNSC) a report on the recent closure by North Korea of the northern side of the border truce village of Panmunjom, according to South Korean government and UNC officials yesterday.

Gen. Luck is expected to state in the report that the closure of the Neutral Nations Supervisory Commission (NNSC) office on the northern side of the Panmunjom Joint Security Area is an express violation of the Korean Armistice Agreement, the officials said.

Luck is also to report to the UNSC that his UNC was considering measures to counter the North Korean attempt to undermine the armistice agreement and the UNC, which has for decades successfully maintained truce on the Korean Peninsula, said the officials.

The U.S.-led UNC makes reports to the UNSC routinely so that U.N. member nations can grasp developments in the situation on the Korean Peninsula and the UNC activities. Gen. Luck concurrently heads the ROK-U.S. Combined Forces Command (CFC) and the U.S. Forces Korea (USFK).

In a secretaries meeting of the Military Armistice Commission (MAC) and also in a statement released through its official news agency, North Korea announced Wednesday that it would ban the NNSC monitors, UNC officials and journalists from entering its territory at Panmunjom without its prior permission.

In what seemed to be another attempt to cripple the Military Armistice Commission, North Korea also notified that it would permanently close the northern side of the NNSC office building at Panmunjom.

The UNC and the South Korean government officials immediately refuted the North Korean announcement, urging Pyongyang to abide by the armistice agreement until a new peace mechanism sets in between Seoul and Pyongyang.

North Korea, which has boycotted the top-level meeting of the MAC since March 1991, wants to have direct military talks with the United States in a bid to replace the existing armistice agreement treaty with a new peace treaty. The peace treaty between Washington and Pyongyang, if realized, would lead to withdrawal of the 36,000 U.S. forces from South Korea.

The Military Armistice Commission, as well as NNSC, was inaugurated on July 1953 when the Korean Armistice Agreement, which brought a cease-fire to the three-year Korean War, was signed between the U.N. and the Communist sides.

Meanwhile, the UNC Friday denied news report that it had agreed to a suggested meeting between U.S. and North Korean general-class officers.

"The story is totally incorrect," said a UNC statement, referring to reports by the Seoul-based CHOSON ILBO and the CHUNGANG Daily News.

The assertion that there may have been some preliminary contact between the United States and North Korea regarding general officer-grade talks "is also totally false," the statement said.

The UNC statement came after two Korean dailies quoted Col. Ashton Ormes, the UNC-side representative to Wednesday's MAC meeting at Panmunjom, as saying that the UNC "in principle agreed to but was carefully studying" the suggestion for U.S. and North Korean general officer-grade talks.

"Any decision concerning the MAC's future will be the result of a full and close consultation among the participating governments," said the UNC statement, adding that the UNC "rejects any unilateral actions by any party which would substantially alter the armistice agreement and its structures."

Dailies on DPRK's Closure of NNSC Office

SK0505132095

[FBIS Translated Text] The following is a compilation of editorials and articles carried in 5 May Seoul vernacular dailies on North Korea closing the Neutral Nations Supervisory Commission, NNSC, office in Panmunjom.

The conservative CHOSON ILBO carries on page 3 a 900-word editorial entitled "The 'Two-Faced' North." The editorial notes: "It is easy to conclude that North Korea closed down the NNSC office in an attempt to incapacitate the Armistice Agreement," adding: "It has been expected that if the post of the chief delegate of the UN Command to the Military Armistice Commission, MAC, is filled by a U.S. general, the North side would take a corresponding measure, but the reality is far from such an expectation. The North is only trying to 'solve' the question of the Korean peninsula by concluding a peace agreement directly with the United States, and is only firming up its stance of trying not to deal officially with the ROK as a sovereign state."

While terming North Korea's invitation of ROK religionists as part of its united front strategy of ignoring the

ROK Government, the editorial notes that North Korea's efforts to hold negotiations solely with the United States are "anti-national, flunkeyist acts." While blaming some people in the ROK for espousing a lopsided logic of harshly criticizing the ROK Government regarding the North, while urging the ROK to make unconditional concessions to the North, the editorial concludes: "As long as our society's way of approaching the North is in such chaos, the North will be all the more recalcitrant about giving up its united front strategy and, as a result, the South-North question will become all the more difficult to solve."

The moderate HANGUK ILBO carries on page 3 a 900-word editorial calling North Korea's closure of the NNSC office in Panmunjom and closure of the North side of the Joint Security Area, JSA, "a grave challenge and threat that shakes the root of the existing Armistice Agreement system, which has maintained peace on the Korean peninsula for 42 years." Stressing that under no circumstances should such an act by North Korea be tolerated, the editorial notes the "seriousness" of North Korea's latest measure because "it is aimed at replacing the Armistice Agreement system with a peace agreement system through exclusive negotiations with the United States." The editorial calls North Korea's acts of nullifying the MAC and closing the NNSC office illegal acts that violate Article 61 of the Armistice Agreement.

In conclusion, the editorial advises the government to hold consultations with the U.S. side and to strongly urge the North Korean side to ensure the normal operation of the Armistice Agreement system at an early date; to notify the UN Security Council and UN secretary general of such a violation of the Armistice Agreement and have them persuade, in the name of the United Nations, North Korea to cooperate in reopening the MAC and the NNSC; and to have the U.S. side clearly promise to ensure that the upcoming North-U.S. high-level talks will address only the question of adopting ROK- style light-water reactors.

HANGUK ILBO also carries on page 3 a 700-word article written by Ko Tae-song reviewing the positions of the ROK and the United States on North Korea's closure of the NNSC office in Panmunjom. The article focuses on North Korea's official reference to the Demilitarized Zone, DMZ, while reporting that the ROK and the United States share the view that if North Korea deploys offensive weapons in the DMZ while unilaterally declaring that it will not recognize the status of the DMZ, it would bring the situation to the point of no return. The article notes the government will have no choice but to regard such a North Korean act "a military provocation," therefore, it will be inevitable to mete out a "military punishment [ungjing]" to North Korea. The article notes that such a position of the ROK and the United States is based upon their judgment that they have no choice but to view North Korea's total disregard of the Armistice Agreement as an act of returning to "a state of belligerence." The article adds that if North Korea remains persistent on the issue of concluding a peace agreement at the North-U.S. high-level talks, the ROK and the United States are prepared for "a breakdown" of such talks, and that the two countries share the view that if North Korea tries to obtain concessions concerning the question of light-water reactors or other issues by calling for the conclusion of a peace agreement, they will thoroughly block such an attempt.

The article concludes that the government has the strategy to counter North Korea's offensives by calling upon the North to implement the South-North basic agreement and the declaration on denuclearization, citing the government's flexible position in favor of holding a two-plus-two meeting or a two-plus-four meeting in which South and North Korea, plus the United States, Japan, the PRC, or Russia, participate.

HANGUK ILBO also carries on page 3 a 600-word article by Yu Sung-u reviewing the peace mechanism advocated by North Korea, while noting the one-time unusual meeting held between the North Korean side and the U.S. side over the repatriation of U.S. helicopter pilot Warrant Officer Hall under the existing Armistice Agreement, in which a delegate from the North side represented the Korean People's Army mission to Panmunjom and a delegate from the U.S. side represented the MAC. The article then notes North Korea's wish for the withdrawal of U.S. Forces from the ROK by launching offensives for a peace agreement.

The moderate KYONGHYANG SINMUN carries on page 5 a 1,000-word article by Kang Song-po citing pertinent ROK agencies, such as the National Unification Board and the Ministry of National Defense, as predicting that North Korea will take a "visible follow-up measure" in the wake of closing the NNSC office with a view to bringing to the fore the question of concluding a peace agreement.

The article notes that the authorities concerned are predicting that it is highly likely that North Korea will call for the establishment of a tentative military consultative body to replace the existing MAC and for the establishment of a barbed wire barrier within the JSA zone in Panmunjom. The article quotes Larry Nickshe, a senior fellow at the U.S. Congressional Research Service, as saying at a closed-door seminar: "North Korea's 'special measure' aimed at realizing the replacement of the Armistice Agreement with a peace agreement is a threat to the maintenance of the DMZ." The article notes that observers are guessing that in such "a special measure," North Korea will try to remove the concept of "demilitarization."

The article concludes by quoting one National Unification Board official as saying: "If ROK-style light-water reactors are 'a Trojan horse' for North Korea, a peace agreement will be our Trojan horse."

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "North Korea's Dangerous

Gamble." Commenting that the final goal of North Korea's latest move is the withdrawal of U.S. troops from the ROK, the editorial notes North Korea's gesture is well timed to precede the proposed high-level talks between the United States and North Korea on resolving the nuclear issue. The editorial expresses concern over the possibility that the United States may accept North Korea's proposal to sign a package deal that includes the conclusion of a peace treaty to replace the armistice pact with the issue of supplying light-water reactors to North Korea. The editorial calls on the United States to pay attention to two points: North Korea's "outlaw attitude" and "brinkmanship diplomacy" with which Pyongyang hopes to achieve all its goals. The editorial concludes by urging the government to express firm will not to allow any North Korean adventurism that threatens peace on the Korean peninsula.

The pro-government SEOUL SINMUN carries on page 3 a 700-word editorial entitled "North Korea's Plot on the Peace Agreement." The editorial denounces North Korea's gesture as "a violation and a disregard of the Armistice Agreement and the North-South Basic Agreement that should not be overlooked." Analyzing North Korea's move as aimed at a direct encounter with Washington for improved relations, while affronting and excluding South Korea from the whole process, the editorial stresses that replacing the Armistice Agreement with a peace agreement is "an issue between the North and South," not between Pyongyang and Washington. Pointing out that Pyongyang's action was taken in the face of holding high-level talks with the United States, the editorial calls on North Korea and the United States to never forget the fact that "the only goal of the upcoming talks is breaking the deadlock over the Geneva agreement, not anything else."

The moderate CHUNGANG ILBO carries on page 3 an 800-word editorial entitled "North Korea Attempts To Topple the Armistice System." Commenting that it is no surprise that Pyongyang took "another unilateral step," the editorial notes, however, its latest action will heighten the tension on the Korean peninsula. Referring to the "timing" of the announcement, the editorial explains it is North Korea's same old trick to secure a stronger position by heightening tension whenever it faces important negotiations. The editorial warns that "it is high time we show Pyongyang that its unreasonable demands do not work any more" and calls on the United States and the ROK to maintain "close cooperation" and not "to allow North Korea to come between Washington and Seoul."

North Proposal on U.S. High-Level Talks Opposed

SK0605000195 Seoul KBS-1 Radio Network in Korean 2300 GMT 5 May 95

[Correspondent Yi Chong-su from Washington]

[FBIS Translated Text] It has been learned that North Korea proposed to the United States that the U.S.-North Korea high-level talks initially proposed by the United States be held alternately in Pyongyang and Washington and that the first round of the talks be held in Pyongyang in mid-May.

The United States, which proposed that the U.S.-North Korea high-level talks be held in Geneva between 15 and 17 May, is now considering the proposal put forth by the North Korean mission in the United Nations for holding the talks alternately in Pyongyang and Washington.

In a briefing at noon on 5 May, Nicholas Burns, spokesman for the U.S. State Department, simply said that North Korea suggested a date and place for U.S.-North Korea high-level talks, but that a way that satisfies both sides has yet to be found. However, spokesman Burns said: I believe that the U.S.-North Korea high-level talks will be held soon.

The ROK Embassy in the United States said that it had been notified of the North Korean proposal, but was not able to reveal it. Then, the ROK Embassy just stated that the proposed place and date is a delicate matter.

It is analyzed that North Korea put forward this proposal, believing that, by taking turns in holding the U.S.-North Korea high-level talks in Pyongyang and Washington and by holding the first round of the talks in Pyongyang, it can increase the effectiveness of its political propaganda as well as achieve diplomatic results while virtually excluding the ROK in the current situation in which the United States and North Korea have no diplomatic relations.

The United States is not likely to entirely accept the North Korean proposal, and it has been learned that the ROK opposes it even more.

In conclusion, it seems that the United States will discuss this issue at an ROK-U.S.-Japan high-level strategic meeting, slated for 10 May in Seoul with the attendance of U.S. Nuclear Ambassador [title as heard] Robert Gallucci, make its final decision, and convey it to North Korea.

Seoul Against Pyongyang Venue

SK0805051895 Seoul HANGUK ILBO in Korean 8 May 95 p 1

[By reporter Ko Tae-song]

[FBIS Translated Text] In view of the fact that North Korea is trying to use the DPRK-U.S. high-level talks politically and is claiming that they should be held in Pyongyang, it was learned on 7 May that the government will clearly state, at the ROK-U.S.-Japan high-level strategy talks slated for 10 May in Seoul, that it will not allow the DPRK-U.S. high-level talks to be held in Pyongyang.

It was learned that the government will emphasize that if the DPRK-U.S. high-level talks are held in Pyongyang, there is a possibility that the United States may unilaterally be wrapped up in North Korea's political propaganda and that it will be difficult to maintain a cooperative system among the three countries, which must constantly hold strategic meetings during the talks.

A diplomatic source in Seoul said: "If North Korea insists to the end on holding the talks in Pyongyang, it will mean that North Korea has no intention of holding the talks. The U.S. side by no means agrees to hold the talks in Pyongyang."

In connection with the fact that North Korea is once again threatening to dissolve its freeze on nuclear weapons, the government, at the tripartite strategic meeting, will promote a way to give a special report to the UN Security Council on the process of the DPRK-U.S. negotiations and North Korea's nuclear freeze situation.

Considering that the DPRK-U.S. negotiations were endorsed by the UN Security Council, such government policy is aimed at emphasizing that it is necessary to explain its development and immediately convene the UN Security Council if North Korea cancels its nuclear freeze before the resumption of the DPRK-U.S. high-level talks.

If North Korea continues to reject the ROK-model light-water reactor and does not recognize our central role, the government will promote the adoption of a white paper including the compromising measures such as an early supply of alternate energy, early opening of the DPRK-U.S. liaison offices, and additional easing of economic sanctions against North Korea.

Gallucci, Officials Consult on North Negotiations

SK0805115095 Seoul MUNHWA ILBO in Korean 8 May 95 p 2

[FBIS Translated Text] Nuclear Ambassador [title as published] Gallucci, the U.S. representative to the North Korea- U.S. high-level talks, arrived in the ROK on the afternoon of 8 May and began consultations with ROK Government officials on strategies regarding negotiations with North Korea. After attending an ROK- U.S.-Japan strategy meeting on 10 May, on 11 May Gallucci will attend a strategy meeting in Tokyo.

The meeting among the three countries will be attended by Choe Tong-chin, director of the ROK Light-Water Reactors Planning Group; Gallucci; and Ambassador Endo Tetsuya.

With the ROK-U.S.-Japan strategy meeting around the corner, one high-ranking ROK Government official after another has said it is possible the light-water reactors negotiations will be protracted.

In a 7 May interview with the Seoul Broadcasting System, Prime Minister Yi Hong-ku stated: "The light-water reactor issue has been the focus so far." He added: "It is necessary to consistently deal with the North Korean attempt to split the ROK and the United States and ruin public opinion."

Yi stated: "Light-water reactors will be completed in the next century if they are completed at all." He concluded: "It is not necessary for us to feel much pressure over this issue."

Na Ung-pae, deputy prime minister and minister of the National Unification Board, told reporters on 6 May: "I do not think North- South dialogue will resume in the near future. It will be difficult to reach an agreement at the North Korea-U.S. high-level talks because the talks will be protracted."

These remarks indicate the ROK Government considers an improvement in North-South relations to be its top priority, and that unless this principle is implemented, the light-water reactor negotiations will go adrift.

Official: N-S Dialogue Key To Resolving Issues

SK0805063295 Seoul KYONGHYANG SINMUN in Korean 8 May 95 p 2

[By reporter Yi Pyong-kwang]

[FBIS Translated Text] It was learned on 7 May that the ROK Government would propose through the North Korea-U.S. high-level talks between Kang Sok-chu and Gallucci that a North-South dialogue be held to discuss a peace mechanism.

This means that the government has decided to positively respond to North Korea's offensive regarding the signing of a peace agreement. It is also interpreted as a gesture to pursue the implementation of the North-South basic agreement in North-South dialogue.

The government plans to express this position to Gallucci, ambassador of the U.S. State Department in charge of nuclear affairs, who will visit the ROK on 8 May for ROK-U.S.-Japan consultations, and ask him to cooperate in the matter.

In connection with this, the government plans to ask Ambassador Gallucci to resolve, in a package deal, issues concerning accepting ROK-model light-water reactors, holding North-South dialogue to implement the North-South basic agreement, supplying heavy oil at an early date, opening North Korea-U.S. exchange of liaison offices at an early date, and easing sanctions against North Korea.

An ROK Government official said: "North and South Korea can discuss, through a dialogue, ways to establish a peace mechanism and dispel North Korean concerns about ROK-model light-water reactors."

This official went on to say: "North Korea must realize that holding North-South dialogue is not only its duty under the Geneva agreement but a key to resolving all issues, including the supply of light-water reactors, North Korea-U.S. exchange of liaison offices, North Korea-Japan negotiations on diplomatic relations, and signing of an agreement on peace on the Korean peninsula."

In connection with the North Korean threats to cancel the freeze of its nuclear activities, the government plans to maintain the strong position at the negotiations among the three countries that not only the reloading of the reactor with nuclear fuel rods and the resumption of the operations of the reactor but the expulsion of International Atomic Energy Agency inspectors from Yongbyon and the destruction of the seals in place be considered as cancellation of the nuclear freeze.

Paper Warns Against North Military Provocations

SK0705073595 Seoul CHOSON ILBO in Korean 7 May 95 p 3

[Editorial: "North Korea's Provocations in DMZ"]

[FBIS Translated Text] North Korea is attempting to make the Demilitarized Zone [DMZ] exist in name only as part of its maneuvers to break up the armistice system. North Korea invaded our side of the Military Demarcation Line on two occasions on 19 and 23 April. Following this, North Korea sealed the office of the Neutral Nations Supervisory Commission in Panmunjom. In addition, in a Pyongyang radio commentary on 4 May, North Korea claimed "the area south of the DMZ has been turned into a position for launching an attack of northward invasion." It is highly likely North Korea will commit an even greater number of provocations in the DMZ on the pretext of coping with the "position for launching an attack." There is also the possibility North Korea will fabricate an excuse for beginning a war. This reminds us of North Korea's maneuvers to communize the entire Korean peninsula by preposterously claiming that the Korean war was actually a northward invasion.

How should we cope with North Korea's unilaterally nullifying the DMZ and deploying troops and weapons there? Such countermeasures as emphasizing the validity of the Armistice Agreement and reporting to the UN Security Council have no practical effect. It is of no use to warn North Korea about its "violation of the agreement" and emphasize "referring the matter to the Security Council" because North Korea would unilaterally abolish all mutual agreements and promises without hesitation. Have we not experienced this many times in the past?

The essential method for preventing a North Korean provocation is for us to take corresponding measures to block North Korea from perpetrating such provocations. Prevention of today's war is possible only through an equilibrium of power. Relations in which such equilibrium is broken only distinguishes the victor from the loser. We have clearly witnessed this from the conclusion of the Cold War between the United States and the Soviet Union. Therefore, it is very important for us to retain the strength and will to practically deter North Korea's military provocations.

We should not only strengthen our own defense capabilities but see to it that the ROK-U.S. mutual defense agreement is fully operating. By describing the Korean war as being waged between North Korea and the United States, Pyongyang is calling for the conclusion of a peace agreement between the United States and North Korea, with a view to forcing the U.S. Forces in Korea [USFK] to withdraw. However, the USFK was dispatched to Korea to cope with the war triggered by North Korea; after the armistice, the USFK was stationed in the ROK in accordance with the ROK-U.S. mutual defense agreement. This being the case, their withdrawal is not to be decided on by the relationship between the United states and North Korea. Thus, emphasis should be placed on the fact that the USFK has been stationed in Korea according to the need of the ROK and the United States.

On the other hand, it is also important for us to realize that we have responsibility for our own security, and that ROK-U.S. mutual defense and international support is possible only when we are able to take over the leadership.

Kim Tae-chung on North-South Cooperation Era

SK0705034095 Seoul YONHAP in English 0323 GMT 7 May 95

[FBIS Transcribed Text] Washington, May 6 (YONHAP)—Former opposition leader Kim Tae-chung predicted Saturday that South and North Korea will enter an era of cooperation once the light-water reactor issue is resolved.

Kim, presently on a two-week tour of the United States, told South Korean correspondents stationed in Washington D.C. over a luncheon, "the inter-Korean competition era came to an end when the Geneva nuclear agreement was reached last year between the United States and the North. Once the light-water reactor issue is resolved, South and North Korea will be able to enter an era of cooperation."

The chairman of Kim Tae-chung Peace Foundation for the Asia Pacific region said, "Should the two Koreas prolong the present confrontation, they might plunge themselves into third-rank countries. But if they resolve inter-Korean relations, Korea will be able to rank fifth in the world in the 21st century."

Referring to the prospects of national unification, Kim said, "Depending on the attitude of the (South Korean) Government, we should be able to achieve a commonwealth of Korea not in the far future."

If and when inter-Korean economic exchanges are conducted for a decade, he said, North Korea will undergo a major change and it will be possible for the North and South to establish a federal government.

On resolving the North Korean nuclear issue, Kim said, "it should be quite possible to save the face of North Korea, while adhering to the three principles that Pyongyang should not possess nuclear weapons, that South Korea should be guaranteed of a central role in its light-water reactor project, and that improvement in U.S.-North Korea relations should be linked to that in inter-Korean relations."

Kim expressed an optimistic view saying, "I think a compromise will be reached under these premises under which South Korean models of light-water reactors will be provided to the North."

"South Korea should not give to the North a fear that unification will be made by way of absorbing the North into the South," he advised. Pending inter-Korean issues including one involving condolences over the death last July of North Korean leader Kim Il-song would be resolved naturally once the light-water reactor problem is solved, he said.

Asked of his view about a change of generation in South Korean politics, Kim responded, "There is no change in my attitude as expressed in my 1992 retirement statement. I'm not interested in the issue of generation change."

Many DPRK Defectors From 'Privileged Class'

SK0605081595 Seoul KYONGHYANG SINMUN in Korean 5 May 95 p 5

[By reporter Kang Song-yong]

[FBIS Translated Text] It was learned that many North Korean defectors who escaped to the ROK in the 1990's once belonged to the so-called "privileged class" in North Korea, being high-level party and government officials or students, while the majority of North Korean defectors in earlier decades were soldiers, farmers, fishermen, and crew members.

The main motives of their defection in recent years were dissatisfaction with their treatment, fear of being punished, and adultery; the motives in the 1960's were all political, such as dissatisfaction with the North Korean system.

This was revealed in a survey conducted by the National Unification Board [NUB] with the remaining 209 North Korean defectors out of the total 700 defectors who came to the ROK following the establishment of the ROK Government in 1948, excluding those who have died or emigrated.

According to the result of the survey announced by the NUB on 4 May, the list of 65 defectors who came to the ROK in the 1960's included 20 soldiers, 15 farmers and fishermen, and 10 crew members; the majority of the 80 defectors in the 1990's, excluding 25, were well treated in North Korea before they defected to the ROK, including 17 party and government officials, 13 students, and six technicians.

With regards to the motives of their defection, "admiration of the ROK" and "dissatisfaction with the North Korean system" were the major reasons in the 1960's for 37 and 10 respondents, respectively. However, the major reasons for defection by North Koreans in the 1990's have been revealed in the following order: dissatisfaction with their treatment (26 respondents), delinquency (15 respondents), and fear of being punished (10 respondents).

North Group's Message Read at Student Gathering

SK0705023995 Seoul THE KOREA TIMES in English 7 May 95 p 3

[FBIS Transcribed Text] "Hanchongnyon," or the Korean Federation of University Student Councils, started activity under its third set of leaders in a ceremony attended by about 30,000 students from across the nation at Kyongbuk National University Friday.

The nation's largest collegian organization made public a congratulatory message sent from its North counterpart participating with it in a dissident organization, called Pomchonghangnyon, or the Pan-National Student Council for Fatherland Unification.

The message from the North said that North Korean students are impressed with the undaunted struggles by Hanchongnyon to overcome suppression (by the Southern establishment) and that they hope Hanchongnyon's activity will bring glory to them, according to a leading member of the group.

He also disclosed that it had received another message from Pomchonghangnyon with similar content at the ceremony.

Introduction of North Korean Apples Suspended

SK0605033995 Seoul YONHAP in English 0245 GMT 6 May 95

[FBIS Transcribed Text] Seoul, May 6 (YONHAP)—Introduction of North Korean apples has virtually been suspended due to the scarcity of apples in the North and also due in part to the poor quality of North Korean apples, a government official said Saturday.

Two South Korean firms signed contracts with North Korea earlier this year to import 15,000 tons of apples, of which 760 tons were brought into the country last March.

Kim Pyong-ki, chief of the orchard and horticulture division of the Agriculture, Forestry and Fisheries Ministry, said importers are virtually convinced that the rest of the apples contracted for delivery by North Korea will not arrive.

He said it seems that in the North there is little surplus to export because of poor harvests last autumn. In addition, the quality of the North Korean apples were far worse than expected, the official said.

The North Korean apples introduced last March were of the "Kukgwang" variety, which weigh 150 to 180 grams each are a kind which South Korea ceased to cultivate long ago, and weigh only about half of the South's popularly cultivated variety, "Pusa."

"Kukgwang," produced in the Hwangju area, was brought into South Korea via Haeju, a west coast port just north of the territorial waters belonging to the truce line. The apples were intended to be used by juice producers.

Meanwhile, the South Korean plan to export its apples and pears to Taiwan has also suffered a setback, an official at the ministry said.

Last June South Korea agreed with Taiwan to ship 9,500 tons of apples and 2,000 tons of pears in a barter trade. It was the first deal of its kind in two years after Taiwan boycotted South Korean fruit upon Seoul's break-off of diplomatic ties with Taipei.

However, the official said, Taiwan stopped buying South Korean apples and pears last March, by which time they had imported 2,300 tons of apples and 1,220 tons of pears.

Taipei officials reasoned that Taiwanese people opted for fruit from other countries because those from South Korea were too expensive, according to the official.

'Serious' PRC-North Diplomatic Dispute Noted

SK0705032895 Seoul CHUNGANG ILBO in Korean 7 May 95 p 3

[Report by Beijing-based correspondent Mun Il-hyon]

[FBIS Translated Text] It has been learned that a serious diplomatic dispute has been created between North Korea and China over a charter plane flight between Taiwan and Pyongyang for the Pyongyang International Sports and Cultural Festival; differences in selecting the site of the 2000 Asian Games; and the Chinese Government's decision to drastically reduce aid in the form of foodstuffs and oil to North Korea.

On 6 May, a high-ranking Chinese Government official revealed that North Korea unilaterally decided on the operation of a charter flight between Taiwan and Pyongyang without prior consultation with the Chinese side. This has had a considerable impact on political relations. Qiao Zonghuai, PRC ambassador to North Korea, visited the North Korean Foreign Ministry last month and presented a strong protest.

China stressed that the operation of a chartered plane flight between North Korea and Taiwan for the Pyongyang Festival violates the principle of "one China" and it should have been discussed in advance with the PRC. Therefore, China warned that this issue would have a negative impact on bilateral relations.

The official also pointed out that Taiwan's Kaohsiung should not be supported as the site for the Asian Games in 2002. To this end, the Chinese Government asked for North Korea's cooperation. However, North Korea supported Kaohsiung in a bid to block Pusan in the ROK from hosting the games, thus causing much indignation among the Chinese leaders. He emphasized that "diplomatic friction between the two countries is increasing with each passing day."

This official stated that the Chinese Government decided to ban all Chinese grain exports because of their reduced production due to last year's natural disasters. Accordingly, the Chinese Government suspended the supply of rice and corn to North Korea, with the exception of 100,000 tons of beans to be shipped toward the end of this year. He added that "the supply of oil to North Korea has also been drastically reduced, and is now insignificant."

U.S. Brigade-Strength Tanks Deployment Planned

SK0705081195 Seoul YONHAP in English 0807 GMT 7 May 95

[FBIS Transcribed Text] Seoul, May 7 (OANA, YONHAP)—The United States will deploy in South Korea military equipment such as latest tanks and armored cars enough to be used by one brigade in advance beginning in mid-May to prepare against an emergency, it was learned Sunday [7 May].

A reliable South Korean source well versed to the U.S. Forces Korea said Sunday, "I understand that the United States will deploy in South Korea equipment for one heavy brigade in advance from mid-May to the end of August."

The advance deployment of military equipment is being carried out under an accord reached at the 1993 ROK-U.S. security consultative meeting, according to the source.

The military hardware to be brought into the country is expected to function as a considerable deterrence against possible provocation from the North.

To be deployed at a rear U.S. Army base in South Korea, the equipment includes over 130 M1A1 Abrams tanks, M2 combat infantry cars and self-propelled guns, according to the source.

M1A1 tanks, to be introduced into the country for the first time, is equipped with 120mm-caliber main guns and firing control devices.

Trade Talks Held With U.S. on Food Inspections

SK0605031195 Seoul YONHAP in English 0250 GMT 6 May 95

[FBIS Transcribed Text] Seoul, May 6 (YONHAP)—South Korea and the United States held bilateral trade talks in Geneva for two days last Thursday to resolve disputes concerning the testing and inspections of imported meat and other food products in Korean ports under the framework of the World Trade Organization's (WTO) dispute settlement procedure, Foreign Ministry Spokesman Yu Kwang-sok said Saturday.

During the talks held at South Korea's Permanent Representative Office to the United Nations office in Geneva, South Korea insisted that the testing and inspection system of agricultural imports in South Korea does not violate WTO regulations, according to Yu.

The South Korean delegation led by Director General Chang Ki-ho of the ministry's International Trade Bureau also claimed that South Korea is ready to follow through with full procedures for the settlement of the issue under the WTO framework, although it would prefer to settle the case through bilateral talks with the United States, according to the spokesman.

The two sides are expected to have additional talks on the issue through early June. Under WTO regulations, a panel must be assembled to resolve the case by June 5, 60 days after the United States filed an application with the WTO against the testing and inspections system used by South Korea, unless bilateral talks produce an agreement on the issue.

USTR's (U.S. Trade Representative) legal adviser Andy Shoyer and USTR Director General in charge of Korean affairs Christina Lund represented the United States at the bilateral trade talks.

Fishing Vessel Under Detention in Tunisia

SK0705005195 Seoul THE KOREA HERALD in English 7 May 95 p 1

[FBIS Transcribed Text] A Korean tuna fishing vessel is under detention in Tunisia after being seized on the Mediterranean Sea off the African country, the Foreign Ministry announced.

La Paz, of Tongwon Fisheries Co., was seized by a Tunisian patrol boat for violating Tunisia's economic waters at 8 a.m. Thursday and taken to Tabarka, a port in Northwest of Tunisia, the ministry said.

The ship has a crew of 26, including nine Koreans.

The Tunisian patrol boat fired at La Paz in the course of seizing it, but there were no casualties, according to the ministry.

The ministry said it has asked the Tunisian government for cooperation in resolving the case and that it will send a ministry official to Tunisia for the protection of the crew.

Seoul Posts Highest NIE Export Growth Rate

SK0705024095 Seoul THE KOREA TIMES in English 7 May 95 p 8

[FBIS Transcribed Text] Korea posted the highest export growth rate of the four newly industrialized economies (NIEs) during the first three months of this year with a 31.6 percent increase over the same period in 1994.

Korea walked ahead of its three Asian rivals, Taiwan, Hong Kong and Singapore, which recorded export increases of 23.3 percent, 20.1 percent and 26.8 percent, respectively, according to a Korea Trade Promotion Corporation (KOTRA) analysis of the effect of the strong Japanese yen on the exports and imports of the "Four Dragons." (The statistics for Hong Kong and Singapore are actually for their business activities during the first two months of the year).

Chong Song-po, director of the International Economy Department at KOTRA, said, "In comparison with Taiwan and Hong Kong, Korea exports a lot of heavy industrial goods and chemicals. Therefore, Korea has lots of export items which are competing with products from Japan."

"The strong yen helps sharpen the price competitiveness of Korea-made products, which sends their exports soaring," he said.

Chong revealed that the exports of goods going head-to-head with products from Japan such as steel and iron, automobiles and semiconductors skyrocketed during April, and he predicted, "This year, Korea will record a higher export increase rate than the three other Asian Dragons because of the rising value of the Japanese currency."

Korea's export growth during the first quarter in 1995 was the highest since 1988.

However, imports also increased explosively to 35.1 percent, way above Hong Kong's 27.5 percent, Taiwan's 18 percent, and Singapore's 12 percent.

This shows that the imports cutting into the profits generated by the robust export activity have been triggered largely due to the strong yen, the report said.

It ascribed this to Korean heavy industries's heavy dependency on Japanese parts and materials plus a whopping increase in facility imports from Japan, which are taking over a large portion of the burden placed on the Japanese economy by the rallying yen.

BOK Lowers Foreign Currency Loans Ratio

SK0705044195 Seoul THE KOREA TIMES in English 7 May 95 p 9

[FBIS Transcribed Text] The Bank of Korea [BOK] has lowered the ratio of foreign currency loans to large manufacturing companies from 90 percent to 70 percent, effective yesterday.

The central bank also lowered the ratio for large non-manufacturing companies from 80 percent to 70 percent.

But the ratio for small and medium-sized firms is being maintained at the current figure because of the management difficulties facing them.

The central bank attributed the reduction to the sharp rise in foreign currency loans extended to large companies for machinery imports. Banks' foreign currency loans amounted to 2.58 billion dollars during the first quarter of this year.

President Dismisses Cabinet Reshuffle Report

SK0805043295 Seoul YONHAP in English 0421 GMT 8 May 95

[FBIS Transcribed Text] Seoul, May 8 (YONHAP)—President Kim Yong-sam dismissed as "utterly groundless" a press report that he would reshuffle the cabinet in connection with the dispute between the druggists and the herb doctors and the Taegu gas explosion, Chongwadae [presidential offices] Spokesman Yun Yo-chun said Monday.

Responding to a report that International Trade and Industry Minister Pak Chae-yun and Health and Welfare Minister So Sang-mok will be replaced, the president, saying he could not understand how such a report could have come about, stressed that the report was "utterly groundless," Yun explained.

President Kim stated his decision to personally preside over a cabinet meeting at Chongwadae Tuesday is to give new strength to the cabinet distressed by the Taegu accident, and has nothing to do with a cabinet shakeup, he stressed.

A Chongwadae official said the president, hearing about the cabinet reshuffle report Sunday afternoon, called the ministers mentioned in the report to show his confidence in them.

Chong Won-sik Declares Seoul Mayoral Candidacy

SK0805043095 Seoul YONHAP in English 0133 GMT 8 May 95

[FBIS Transcribed Text] Seoul, May 8 (YONHAP)—Former Prime Minister Chong Won-sik Monday formally declared his willingness to participate in a competitive vote to decide the ruling Democratic Liberal Party's (DLP) candidate for the Seoul mayoral post.

Chong conveyed his acceptance of the competitive vote to DLP Chairman Yi Chun-ku at the ruling party headquarters in Yoido, Seoul Monday morning.

He then told a press conference, "I've made up my mind to take part in a competitive vote for the sake of party solidarity, victory in the mayoral election and a democratic operation of the party."

The DLP Seoul District chapter, accordingly, plans to finalize Chong and Rep. Yi Myong-pak as contenders for the DLP candidacy for the Seoul mayoral post at its steering committee meeting Monday afternoon, and report it to the party headquarters.

The government party plans to elect its candidate for the Seoul mayoral election slated for June 27 at a contest convention scheduled to take place at the Olympic Gymnasium in southern Seoul Friday with over 13,000 deputies planning to attend.

Seoul's will be the third competitive selection for DLP candidates running for gubernatorial and mayoral posts in the June 27 local elections following Kyonggi and Cheju Provinces.

Chong told reporters at the press conference, "I'll absolutely abide by the outcome of the competitive vote. I trust the deputies will make a wise judgment."

Asked if he discussed the matter with Chongwadae [presidential offices], he replied, "I informed Chongwadae of my decision Sunday. I believe President Kim Yong-sam, who also heads the party, fully understands it."

Candidate Supported by Kim Tae-chung Loses

SK0605084595 Seoul YONHAP in English 0828 GMT 6 May 95

[FBIS Transcribed Text] Kwangju, South Korea, May 6 (YONHAP)—Rep. Ho Kyong-man won the voting for the opposition Democratic Party's [DP] candidate for governor of South Cholla Province on Saturday [6 May] afternoon, defeating Professor Kim Sung-hun, who had been supported by Tongkyo-tong faction—the biggest faction inside the party.

In the voting by representatives of the DP's South Cholla Province chapter, Rep. Ho won 339 of the total 644 votes, while Prof. Kim obtaining 300. The remaining five were invalid.

It was the biggest surprise in the party's process of selecting candidates for local elections slated for June 27, because retired DP leader Kim Tae-chung had reportedly Choson Prof. Kim as DP candidate for South Cholla governor.

With the surprise result, some political analysts said that influence of Kim Tae-chung, now chairman of the Peace Foundation for the Asia-Pacific region, on the Cholla Province region may be weakening rapidly.

Meanwhile, the ruling Democratic Liberal Party has selected former South Cholla Governor Chon Sok-hong.

Brunei, Malaysia & Singapore

Malaysia

Minister 'Monitoring' U.S.-Japan Trade Dispute

BK0805102495 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 7 May 95

[FBIS Translated Text] Malaysia is seriously monitoring developments in the U.S.-Japanese trade dispute. Datuk Sri Rafidah Aziz, minister of international trade and industry, says Malaysia wants to ensure that subsequent actions by the two countries will not affect our country's trade:

[Begin Rafidah recording, in progress] ...at the moment. There is nothing yet because they have yet to make a final decision. We are monitoring what the final decision will be, however, to ensure that nothing affects our position as a trading nation. [end recording]

Commentary on Signing of Agreement With Algeria

BK0505150495 Kuala Lumpur Voice of Malaysia in English 0810 GMT 4 May 95

[Station commentary]

[FBIS Transcribed Text] Malaysians and Algerians are likely to expect shuttling to each other's country for business or pleasure will be more easy in the near future with the partial abolition of the visa requirement. The arrangement is made possible with the signing of an agreement pertaining to the matter between the two countries in Kuala Lumpur. The accord allows Malaysians and Algerians to travel between both countries freely up to three months without visas. The agreement was signed by Foreign Minister Datuk Abdullah Ahmad Badawi and his visiting counterpart, Mohamed Salah Dembri, on Tuesday. The agreement, together with another accord on technical, economic, cultural, and education cooperation, is expected to promote bilateral relations and boost trade between the two countries.

Algeria can also use its friendship with Malaysia as a gateway to other ASEAN countries. This is in line with Algeria's hope to have more relations and contacts with ASEAN, which is considered as a very successful regional grouping. Algeria, a member of the Maghreb nations consisting of Morocco, Libya, Tunisia, and Mauritania, feels such contacts will further promote South-South cooperation.

Relations between the two countries have always been good, not only bilaterally but also on international level. Malaysia and Algeria have cooperated very well at the international conferences and forums like the Organization of Islamic Conference, OIC, and the Nonaligned Movement, NAM, and this can be expanded further. The two countries also share similar views on many international issues.

During the three-day visit, the Algerian minister also brought along a group of entrepreneurs seeking possible contacts with their Malaysian counterparts. They hope to encourage the Malaysian private sector to explore investment possibilities and joint venture projects in Algeria, which is rich in economic resources and manpower. The first Malaysian-Algerian private sector link was established only last year, involving the setting up of a 75.6 million ringgit plant in Algeria to process and manufacture vegetable oil and fats. The agreement to that effect was signed less than four months after the Algerian Government opened its embassy in Malaysia in October 1993. The joint venture has been described as the starting point for future business collaboration and stronger bilateral relations, as trade between the two countries is basically one way and in favor of Malaysia. The setting up of such joint venture is also timely as palm oil is beginning to gain greater acceptance among Algerians.

Mahathir Warns Islamic Party on Behavior

BK0605132795 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 6 May 95

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir does not rule out the possibility of the government taking action against the PAS [Pan-Malaysian Islamic Party] in the same way as it did against the al-Arqam Movement [a deviationist Islamic sect]. The matter is being closely studied by the government as part of efforts to curb the PAS' behavior, which has clearly deviated from the true Islamic teachings.

[Begin recording] [Unidentified reporter] Speaking to reporters in Kuala Lumpur, Dr. Mahathir said that PAS leaders had claimed that the party's victory in Kelantan resulted from an alliance of angels. PAS followers have blindly accepted their leaders' statement. The UMNO [United Malays National Organization] Supreme Council, which met today, asked the UMNO Religious Affairs Bureau to study and formulate an appropriate approach to help the PAS followers to return to the true Islamic teachings. Dr. Mahathir said that the PAS could threaten the nation's security if its action is tolerated.

[Mahathir, in progress] ...There is a belief that if you put a PAS flag under your pillow, you will go directly to the heaven after you die. Some say that the reward of voting for the PAS is similar to that of minor hajj pilgrimage. The PAS has used various other false beliefs. Of course, the infidelity issue has been widely exploited. The PAS followers believe that their leaders' beliefs are consistent with the Islamic teachings, but they are not. We must, thus, closely study the matter at the party and government levels. We are responsible for Islam. If we allow such deviations to continue, what happened to the al-Arqam Movement will happen on a larger scale. The al-Arqam Movement did not have many followers. Although they were fanatical, their ways were not radical. We find PAS members, especially the young ones, to be so fanatical that they say that they are ready to die. If they are tolerated, they will probably pose a threat to security. We must not forget the Memali incident in which PAS followers shot policemen to defend their beliefs. We know that PAS members usually detain police officers and policemen in Terengganu, for instance. This shows that they have become brutal and dangerous.

[Reporter] In another development, the National Front says its relations with the PBS [Sabah United Party] have been totally broken off. The National Front has kept its doors tightly closed to the party led by Datuk Joseph Pairin Kitingan. Dr. Mahathir, who is also National Front chairman, said the National Front will never readmit the PBS.

Communications Firm Signs MOU With Satelindo

BK0805055895 Kuala Lumpur NEW STRAITS TIMES in English 5 May 95 p 20

[Report by Mona Fairuz Nordin]

[FBIS Transcribed Text] Cellular Communications Network (Malaysia) Sdn Bhd [private limited] (Celcom) has entered into a business alliance with PT [company limited] Satelit Palapa Indonesia (Satelindo) to jointly carry out projects.

The company said in a statement yesterday the areas will include developing telecommunications transmission facilities using satellite in Malaysia.

It will also involve the international direct dialing (IDD) services and other required international telecommunications services such as home country direct, international free service, international toll-free service and international leased circuits.

Celcom entered into a memorandum of understanding (MOU) with Satelindo, for the services, yesterday in Jakarta.

The MOU also allows both parties to look into other areas of co-operation including the implementation of international roaming facilities between the two parties and the development and implementation of human resources needs.

Both parties will also look at complementing training programmes for their organisations.

Satelindo was formed as a second carrier to provide satellite-based international and cellular services in the country.

It is a joint venture between state-owned telecommunication companies—PT Telekomunikasi and PT Indosat, private national company PT Bimagraha Telemkomindo and Detemob, a subsidiary of Deutch Telekoms of Germany.

Late last year, Celcom established direct links with the Phillipines Long Distance Telephone Company (PLDT), which allows ART900 customers to access PLDT's network facilities.

Other international carriers, with whom Celcom has interconnectivity, are US Sprint, Teleglobe Canada, AT&T of the US, KDD of Japan, British Telecoms, Optus Australia, Telephone Organisation of Thailand and Singapore Telecoms.

Singapore

Editorial Criticizes U.S. Sanctions on Iran

BK0605111295 Singapore BUSINESS TIMES in English 5 May 95 p 12

[Editorial: "Clinton's Unilateral Sanctions"]

[FBIS Transcribed Text] President Bill Clinton announced on Sunday an intriguing decision to impose unilateral trade sanctions on Iran. Mr. Clinton's executive order bans purchases of all Iranian exports by American companies and any of their overseas subsidiaries. The order also blocks all U.S. exports to Iran, except humanitarian items. American oil companies currently buy around U.S. $4 billion in crude oil from Iran, most of it through foreign subsidiaries. Total U.S. exports to Iran last year came to about U.S. $328 million. The decision to cut U.S. commercial links with Tehran—as well as an earlier Clinton move to overturn a U.S. $1 billion deal that Conoco, DuPont's oil subsidiary, had struck with Iran—is intended to signal to America's allies that Washington is prepared to lead the fight against Iran, which the Clinton administration describes as an "outlaw state." The main accusations are that Iran supports international terrorism and has developed nuclear military capability.

Getting Washington to launch an international campaign against Iran has been a goal of Israel and its supporters in the U.S. Congress, led by Republican Senator Alfonse D'Amato of New York, who is currently sponsoring a bill that would close U.S. markets to foreign corporations doing business with Iran. It was not a coincidence that Mr. Clinton made his boycott announcement before a pro-Israeli audience in New York. But U.S. officials argue that the embargo decision goes beyond domestic political considerations and claim it will convince America's allies to restrict their own trade with Tehran and persuade Moscow to reverse its decision to sell nuclear equipment to Iran. Since U.S. allies in the G-7 group of industrialised nations and Russia are not inclined to cooperate with the U.S. in the boycott, there is little chance that Washington's anti-Iran campaign will end up achieving these goals. The European Union declined on Tuesday to join in the embargo. Even Washington's two closest allies, Japan and Britain, refused to go along.

The reluctance by these and other countries to restrict commercial operations in Iran by their private businesses is hardly surprising. What is amazing is that Washington went ahead unilaterally, without consulting its allies and securing their support. The allies cite the Clinton administration's failure to establish Iranian responsibility for various terrorist acts and argue that maintaining commercial ties with Iran helps to strengthen the moderate forces in that country. In addition, Russia has reiterated that its decisions to provide Iran with a two-reactor nuclear plant and train Iranian technicians are legal under the Nuclear Non-Proliferation Treaty [NPT]. It should be noted that Iran, unlike Israel, has signed the NPT and is, therefore, permitted under the accord, which Washington wants to extend indefinitely, to purchase civilian nuclear technology. Mr. Clinton's embargo has not only raised questions about Washington's commitment to the NPT, it has created unnecessary tensions with its allies, increased oil prices for U.S. consumers, and penalised U.S. businesses. It is also appalling diplomacy.

Cambodia

Khmer Rouge Radio Warns U.S., French Military

BK0705094095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 6 May 95

[FBIS Translated Text] According to sources, U.S. and French military representatives went to Siem Reap again to see for themselves the defeat of the two-headed government on the battlefield north of Cambodia in the 17th dry season.

People do know that this is not the first time that these long-nosed guys have gone down to directly lead forces on the battlefields. These villainous guys will face stakes and mines on the battlefields because during the 17th dry season the two-headed government troops were defeated by stakes and mines. They have been defeated by plain and poisoned stakes and mines of our Cambodian nation and people. They are defeated by the guerrilla and people's war of the Cambodian people. In the 17th dry season the two-headed government lost thousands of troops; these include those who were killed, wounded, and maimed, and those who deserted. The guerrilla and people's war is raging throughout Cambodia into battlefields deep inside the country. These troops have repeatedly been beaten; they cannot recover.

So, even if the alliance, the United States, France, and Australia, strives to continue fueling the war in Cambodia, they will certainly be hit by plain and poisoned stakes that will pierce their long noses and throats; they will suffocate, die in vain, and leave their bones in Cambodia for the second time. Do not accuse the Cambodian people of this or that. The Cambodian people will absolutely not take responsibility.

Chea Sim Departs for Visit to United States

BK0605133595 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 6 May 95

[FBIS Translated Text] A delegation of the National Assembly of the Kingdom of Cambodia led by its chairman, Samdech Chea Sim, left Phnom Penh for Washington at 1540 this afternoon for a week-long visit to the United States.

Seeing the delegation off at Pochentong International Airport were His Excellency [H.E.] Loy Sumchheang, first vice chairman of the National Assembly; H.E. Son Soubert, second vice chairman of the National Assembly, and several other MP's.

H.E. Charles Twining and H.E. Imagawa, respectively U.S. and Japanese ambassadors to the Kingdom of Cambodia, were also present on that occasion.

Khmer Rouge Raps Visit of Australia's Hayden

BK0605131295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 6 May 95

[FBIS Translated Text] According to a report from Phnom Penh, pedicab operators throughout Phnom Penh insulted the Australian war criminal Bill Hayden without end in the past few days for having flattered the two-headed government while he was in the city. The operators said Bill Hayden, like Gareth Evans, is an Australian criminal ringleader who kills Cambodians. He had praised the traitorous two-headed dogs, the out-and-out lackeys and dogs of communist Vietnam, to the skies.

What is the purpose of the flattery? It is:

1. To prod the traitorous two-headed dogs, that are being attacked and sent to the death's door by the nation and Democratic Kampuchea, into trying to continue fuelling the communist Vietnamese war; and

2. To prod the traitorous two-headed dogs into intensifying human rights violations and the extremely fascist, dictatorial, and corrupt activities, and so on.

The operators emphatically said it was undeniable that under the traitorous two-headed dogs' regime of nearly two years, there had only been flows of ethnic Vietnamese into Cambodia, extremely corrupt practices, killings, human rights violations, the muzzling of journalists, and extremely fascist activities.

This is the just the opposite of the Australian war criminal's flattery of the two-headed dogs meant to hoodwink them into serving him.

Government Yet To Counterattack Khmer Rouge

BK0505131095 Hong Kong AFP in English 1244 GMT 5 May 95

[FBIS Transcribed Text] Sdau, Cambodia, May 5 (AFP)—Cambodian government troops in this village said Friday they had yet to push the Khmer Rouge back after the rebels' recent advance, contradicting an earlier report by First Prime Minister Prince Norodom Ranariddh.

The troops said they had dug in around a bridge at Andong on National Route 10 running west from Battambang city to the Khmer Rouge's Pailin headquarters after having retreated from the military outpost at Treng some six kilometers (four miles) further west.

The troops contradicted reports by Prince Ranariddh who said in the capital Friday that government troops were in the process of surrounding Khmer Rouge guerrillas in Treng, 40 kilometers (25 miles) southwest of Battambang city, and were trying to cut off their lines of retreat.

"We are now surrounding the Khmer Rouge forces in Treng," he said.

"Now we try to cut their retreat... when it starts raining it is very difficult for the Khmer Rouge to withdraw their tanks back," the prince added.

A government field commander, who asked not to be identified, also told AFP that Treng was still in guerrilla hands.

"We have not yet counter-attacked to recapture Treng but we are now preparing our armed forces," he said.

Military sources in Battambang said around 500 guerrillas backed by six tanks took the strategic outpost Monday.

Although not heavily defended, Treng is the last major government position facing the Khmer Rouge's Pailin stronghold.

Chief of Staff General Ke Kimyan and around 20 high-ranking military and provincial officials met in the otherwise deserted village of Snoeng to assess the security situation but they refused to comment to the press.

Senior defence officials in the capital have said that the government had already recaptured Treng.

While the lines facing Treng were quite static, the situation elsewhere around Route 10 was fluid, troops said.

The government forces had managed to dislodge a group of guerrillas who had taken up position on hill overlooking Sdau and had been firing down at them.

Local and Western aid workers complained of footage on Battambang television Thursday night showing a group of soldiers dragging the corpse of a Khmer Rouge guerrilla through Sdau.

Steady shelling could be heard in the area as government troops traded rounds with other Khmer Rouge units to the north and south of Route 10.

The field commander did not give a figure for government troop casualties but said "there were villagers being killed and wounded every day because of the Khmer Rouge shelling."

Prince Ranariddh said government casualties were light and cautioned against believing reports on the Khmer Rouge's clandestine radio saying 30 government troops had been killed and dozens more wounded in fighting leading up to the fall of Treng.

The hospital in Battambang, however, was overflowing with scores of wounded soldiers and civilians.

"People are also coming in every day from shelling and fighting in Bavel," an orderly said referring to a northern district of the province.

AFP witnessed seven truck loads of fresh soldiers driving down Route 10 while four new tanks and a multiple rocket launcher were also moved into the area.

Two tanks were stationed in Sdau while eight others were stationed to the rear in Boeng Ampel.

A UN official said around 16,000 people had fled their homes for safety.

Villagers were camped out on the side of Route 10 stretching from Snoeng village back to Battambang town.

KR Ability To Capture Ratanamondol Questioned

BK0805125895 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 6 May 95 pp 1, 11

[Report by Srei Neat]

[FBIS Translated Text] Sar Kheng, deputy prime minister and co-interior minister, told reporters outside the National Assembly Hall on 4 May that the Khmer Rouge [KR] will not be able to attack and seize Ratanamondol District in Battambang Province. He believes the activities carried out by the group in the surrounding area are aimed at creating pressure to hold another round of talks with the Royal Government [RGC].

It is noted that the Khmer Rouge, which was outlawed by the National Assembly in the middle of last year, has appeared more vigorous in the last few days. It launched attacks with artillery, tanks, and ground troops with the aim of retaking Ratanamondol District.

It was reported from the battlefront that the Khmer Rouge, backed by about five tanks, has been moving toward the Battambang provincial town and has occupied Treng Commune straddling National Route 10. The group's activities have prompted 10,000 villagers to flee to safe areas.

Sar Kheng added that the Khmer Rouge has always issued such threats, but they are nothing. The Khmer Rouge can attack and cause destruction, but it is unable to occupy or build any position.

He explained to the reporters that in his own judgment, the activities being pursued by the Khmer Rouge are meant to rally and encourage its scattered troops and prevent their surrender. He added that the Khmer Rouge troops, if left scattered, will be out of control and will certainly surrender to the RGC.

Many thousand Khmer Rouge troops have already come out, surrendered, and joined the RGC. The RGC is displaying its efforts to promote rural development vigorously. The RGC considers this an important step in undermining Khmer Rouge activities.

Asked about measures to be taken by the RGC, Sar Kheng said the government always has measures to ensure the people's security. Besides, if insecurity is allowed to surface, stability will be affected, especially as rice planting season is near. The RGC is thus highly determined to deal with this problem.

On 3 May, many Army trucks fully laden with troops were seen roaming through Phnom Penh toward the west, but it is not yet known whether the troops were sent to Battambang Province or elsewhere.

Sar Kheng also said that with the RGC's high determination, the Khmer Rouge will not be able to attack and take control of Ratanamondol District.

Thai Foreign Minister Arrives for Meeting

BK0605114995 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 6 May 95

[FBIS Translated Excerpt] His Excellency [H.E.] Krasae Chanawong, minister of foreign affairs of the Kingdom of Thailand, arrived in Phnom Penh at 0850 this morning to attend a two-day meeting of the Cambodian-Thai Joint Commission for Cooperation to be held in Cambodia.

On hand at Pochentong International Airport to welcome the Thai foreign minister were H.E. Ing Huot, minister of foreign affairs and international cooperation; H.E. Uch Kim-an, state secretary for foreign affairs and international cooperation; H.E. Eng Roland, Cambodian ambassador to the Kingdom of Thailand, and a number of officials from the Ministry of Foreign Affairs and International Cooperation.

H.E. Sakthip Krairoek, Thai ambassador to Cambodia, and many diplomats were also present. [passage omitted]

Hun Sen Departs for Official Visit to France

BK0505121395 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 5 May 95

[FBIS Translated Text] Second Prime Minister Samdech Hun Sen left along with a high-level delegation of the Royal Government of Cambodia [RGC] at 1650 on 5 May to pay a nine-day official visit to France from 5 to 13 May on behalf of his majesty the king. During his visit, Samdech Hun Sen will take part in the commemoration of the 50th anniversary of the armistice on 8 May.

Seeing off the samdech at Pochentong International Airport were Prince Krompreah Norodom Ranariddh, first prime minister of the RGC; His Excellency [H.E.] Sar Kheng, deputy prime minister and co-minister of the interior; H.E. Ing Kiet, deputy prime minister and minister of public works and transport; and several other ministers, state secretaries, and senior government officials.

Hun Sen Comments on Riel Revaluation

BK0505113295 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 5 May 95

[FBIS Translated Text] Samdech Hun Sen, second prime minister of the Kingdom of Cambodia, said at Cambodiana Hotel at this weekend that the Royal Government of Cambodia [RGC] has lost 5 billion riels each month due to the revaluation of the riel on the market.

The second prime minister further said that it is very difficult for the RGC, which owns income in foreign currency, to pay expenses in local currency. The revaluation of the riel for over a month—the riel rate goes up from 2,500 to 1,900 or 2,000 per dollar on some days—has caused the state a loss of over 5 billion riels.

Samdech Hun Sen pointed out that in fact the Royal Government of Cambodia does not want the riel to revaluate so rapidly. The government instead wants the local currency to remain around at 2,500 riels per dollar so it will be able to cope with those expenses. He added that according to a resolution by the IMF, which has supplied foreign currency to cope with the inflation of riel, the rate of riel is fixed at 2,900 per dollar so that the national budget remains balanced.

Economic analysts say the recent extremely strong revaluation of riel does not mean that the country's economy has become stable or strong. The revaluation, however, depends on several factors, such as the trend of the dollar devaluation on international markets and the support of new riel banknotes by the Cambodian people. Anyway, these points are still not the causes that can fully justify the riel revaluation.

The economic analysts have noted that in spite of efforts by the National Bank to put a huge amount of riels into circulation, the riel's value only declines slightly; it then remains at its initial rate of 2,200-2,300 riels per U.S. dollar. This is because the amount of riel banknotes in circulation on the market is smaller than the demand.

Samdech Hun Sen said the RGC is striving to maintain the riel's rate at around 2,500 per U.S. dollar at all costs, because we can no longer afford to sustain the national budget loss. The present riel revaluation has caused difficulties both for the RGC and the people in general because the riel's revaluation does not increase its purchase power proportionally.

Hun Sen Refutes Rumors of Cabinet Reshuffle

BK0505113395 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 5 May 95 p 1

[Communique issued by Samdech Hun Sen, second prime minister of the Kingdom of Cambodia in Phnom Penh on 3 May—read by announcer]

[FBIS Translated Text] In the past few days rumors have been spread from mouth to mouth and through some newspapers contending that His Excellency [H.E.] Cham Prasit [minister of planning] would replace H.E. Keat Chhon as minister of economy and finance and that there would be other cabinet changes.

In my capacity as the second prime minister of the Royal Government, I solemnly announce that H.E. Keat Chhon will not be dismissed and that he will not be replaced by H.E. Cham Prasit. On the contrary, we are encouraging the two excellencies to carry out their jobs even more effectively. Additionally, the first prime minister prince krompreah and I have never discussed the topic of transferring or replacing any government members in the near future.

The Royal Government as a whole is functioning smoothly hand-in-hand to ensure political stability and socioeconomic development for the country. Consequently, there is no need to effect any reshuffle.

I hope that all fabricated news will be eliminated following the publication of this communique.

Phnom Penh, 3 May 1995

Commentary Hails Success of Diplomacy

BK0605122695 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 5 May 95

[Station commentary: "A Major Success of Our Diplomacy"]

[FBIS Translated Text] The commemoration of the 40th anniversary of the Nonaligned Movement [NAM] in Bandung, Indonesia, was marked by a meeting of foreign ministers from the countries around the world, especially the foreign ministers from the nonaligned countries.

According to His Excellency [H.E.] Ing Huot, minister of foreign affairs and international cooperation, who was present at the event, the Kingdom of Cambodia had the honor of being selected by various countries at the NAM 40th anniversary as chairman of the group of nonaligned countries in Asia.

It is worth recalling that at the NAM 40th anniversary, only four countries, NAM's continental chairmen, were invited to give speeches. Those countries are Cambodia, the chairman in Asia; Tunisia, the chairman in Africa; Ecuador, the chairman in Latin America; and Malta, the chairman in Europe.

This event is testimony to the great success of the diplomacy conducted by the Royal Government of Cambodia [RGC] under the clear-sighted leadership of his majesty the king. Cambodia, which left NAM in 1979, rejoined the movement in 1992.

At the commemoration of the NAM 40th anniversary, Indonesian Foreign Minister Ali Alatas recalled that his majesty the king of Cambodia was a senior member of the movement and is still alive among the NAM founder members.

It should also be recalled that the meeting taking place on the NAM anniversary was attended by the 112 NAM country representatives and 180 guests representing various countries and international organizations the world over and that two-thirds of UN members are the NAM countries.

At the meeting, Cambodia fully supported the discussion of the issue of world development because Cambodia is currently paying attention to its own development, too. Besides, the Kingdom of Cambodia has also supported the NAM countries, which have dedicated attention to the five principles known as Pancasila, which consists of respect for human rights, use of nonviolence, resorting to negotiations for the settlement of international conflicts, and so on.

Asian analysts say Cambodia, which has returned to NAM, has been welcomed as a country endowed with independence, sovereignty, and the rule of law recognized by the United Nations. Cambodia needs development and the improvement of the people's living conditions; however, it should also have something in exchange.

This is a successful step forward of the foreign policy being implemented by the Kingdom of Cambodia.

It should be pointed out that over the past two years, 84 countries from the rest of the world have established diplomatic relations with Cambodia; 56 have already presented their credentials; and 22 have already opened their permanent embassies in Phnom Penh. For its part, Cambodia has already posted 20 of its ambassadors in foreign countries and the United Nations.

Our people wish to acclaim warmly the RGC, which has constantly and effectively implemented Article 53, Chapter 4 of the constitution, which stipulates that the Kingdom of Cambodia always adopts a policy of permanent neutrality and nonalignment. The people value the event as a great success achieved by the RGC in the implementation of its foreign policy in international arena, especially in the implementation of the policy toward its neighbors that will be further strengthened and expanded.

Rangsi Protests Move for Expulsion From Assembly

BK0505121195 (Internet) SEASIA Listserv in English 1100 GMT 5 May 95

["Open letter" from National Assembly member Sam Rangsi issued in Phnom Penh on 4 May]

[FBIS Transcribed Text] As a member of the Cambodian Parliament elected in the May 1993 ballot organized by the United Nations, it is with much regret that I have to inform the national and international community of an imminent measure which the Cambodian authorities are preparing to take against me and which is a violation of both the Electoral Law prepared by the United Nations Transitional Authority in Cambodia (UNTAC) in August 1992 and of legal principles in force in all democratic countries. This measure is my expulsion from the National Assembly for the simple reason that I oppose certain aspects of the present Government's policies.

Of course, Cambodia is a sovereign country whose authorities may wish to avoid outside supervision of how the democratisation process foreseen in the Paris Accords of 23 October 1991 has unfolded, as witnessed by the recent request of the Cambodian Government to close down the Office of the United Nations Centre for Human Rights in Cambodia. But Cambodia is a very small country which, over the last few years, has received a large amount of assistance from the international community whose aid remains crucial up to the present. Because of this, the Cambodian authorities are accountable to the international community, notably as regards respect for human rights and democratic principles.

The Electoral Law prepared by the United Nations foresees only three cases in which a Member of Parliament (MP) may be replaced: if he "dies or resigns or otherwise becomes unable to serve as a member during the term of the Assembly." In no case can an MP, elected by the people and who has committed no crime or misdemeanour, be expelled from his position by his political party, by his peers in the National Assembly, or by the Government. If that happened, it would mean the principles of popular sovereignty and of the separation of powers are no longer being respected. Elected by the people, an MP is accountable to no-one other than his electorate and cannot be sanctioned other than by a vote of the people. Until that day, the only circumstances in which elected MP's can be replaced is if they resign of their own free will to accept positions in the administration incompatible with their position as a parliamentarian (in accordance with Article 79 of the Constitution).

Certainly, the Electoral Law adopted for Cambodia three years ago is based on a system of proportional representation, whereby each political party obtains a number of seats proportional to the number of votes received by the list of candidates which it presented. However, in all countries (such as Germany) and all institutions (such as the European Union) which use a comparable electoral system, no elected representative can lose his parliamentary seat for the sole reason that he leaves his political party or, still less, because he is the subject of punishment by his political party.

Prior to the ballot it is the political parties who present the candidates to the electorate but after the ballot it is the elected candidates who represent the people. It is therefore the individuals carrying the title of MP who comprise the National Assembly (article 76 of the Constitution, Article 78 of the Electoral Law) and not the political parties as such. The political parties thus cannot dismiss the MP's who, moreover, benefit from parliamentary immunity (Article 80 of the Constitution). Internal political quarrels within a party cannot serve as a pretext to withdraw the mandate of an MP; to do so would constitute a violation of the Constitution, of the Electoral Law and of the principle of popular sovereignty.

During the 1993 electoral campaign, the names of the parliamentary candidates were submitted to the electorate and these candidates presented themselves personally before the voters who thus elected them also on a basis of intuitu person. In my own case, my name figured at the top of the list of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] candidates (the political party which won those elections) for the provincial constituency of Siem Reap and, as the second member representing FUNCINPEC within the Supreme National Council, I was the highest-placed leader of my party to have conducted the campaign in that province. Very recently, in the space of a few weeks and despite a climate of intimidation, 10955 voters from my constituency have signed or thumb-printed a petition of support for me as their MP facing threats of expulsion.

It is purely political reasons which motivate the step of expulsion being prepared against me. It is the Government itself (the First Prime Minister also being the President of FUNCINPEC) which is pressurizing the National Assembly to relive me of my position as an MP. Because I act as a very independent parliamentarian, often critical of the Government's policies, the latter seeks to rid itself of an individual who it considers to be a trouble-maker just as it seeks, in general, to suppress and silence all potential parliamentary opposition.

But through and beyond my individual case, it is the fundamental democratic principles which are being attacked: popular sovereignty, the separation of powers, freedom of expression, the right to legal, loyal, responsible and constructive opposition, the system of checks and balances. As far as I am concerned, I believe it not only a right but also a duty to oppose certain aspects of the policies of the present coalition Government. As its President himself recently recognized, FUNCINPEC—which won the elections and is a senior partner in the

Government—has failed to respect any of its electoral promises. In such a situation, my conscience dictates that I remain faithful to my electors and continue to fight on those issues which enabled my election, in particular the struggle against corruption.

My expulsion from the National Assembly would create a very unfortunate precedent: every parliamentary who does not unconditionally support the Government could be dismissed from his position and in the same utterly arbitrary and illegal manner. The atmosphere of intimidation which currently reigns in Cambodia would become even heavier and the National Assembly, which is of course the most fundamental body in any democracy, would simply confirm its role as a mere rubber-stamp parliament. In such conditions, could one still talk about democracy in Cambodia?

It is the international community, through the United Nations, which, since the 1991 Paris Agreements, has initiated, realized and guaranteed the process of democratisation in Cambodia. In the interests of the Khmer people as in the interests of all nations, people and institutions who are striving to promote and defend legal principles throughout the world, it is imperative that the spirit of the mission successfully carried out by UNTAC until 1993 be preserved in Cambodia. I therefore humbly ask for those concerned with the progress of democracy and the rule of law in Cambodia, including my fellow parliamentarians in other countries, to remind the Cambodian Government that they have certain obligations as regards the respect of human rights and fundamental democratic principles.

Philippines

Ramos Accepts Labor Secretary Resignation

BK0605132895 Hong Kong AFP in English 0901 GMT 6 May 95

[by Lara Parpan]

[FBIS Transcribed Text] MANILA, May 6 (AFP)—President Fidel Ramos announced Saturday that he had accepted the resignation of Labor Secretary Nieves Confesor, the second cabinet member to fall over the controversial hanging of a Filipina maid in Singapore in March.

The announcement came at a news conference two days before congressional and local administrative elections. During the campaign period the government had been under heavy attack for allegedly mishandling the case.

Confesor was among several officials blamed by the Philippine public for not doing enough to save the life of Flor Contemplacion, excecuted in Singapore for a double murder amid widespread popular belief here that she was innocent.

Last month, Ramos accepted the resignation of Foreign Secretary Roberto Romulo and sacked nine other diplomats for failing to save the life of Contemplacion, convicted for the 1991 murder of another Filipina maid and a Singaporean boy.

The hanging soured relations with Singapore but both sides have taken steps to mend ties, agreeing to let a neutral panel of forensic experts decide whether Contemplacion's execution was justified.

Ramos said he accepted "with deep regret" Confesor's resignation, which takes effect on June 30.

He also commended Confesor, who is the chairwoman of the International Labor Organization (ILO), for her "exemplary stewardship" of the labor department for nearly three years.

If the decision to accept her resignation "will still be criticized, let it be, amen. Let them vote accordingly on May 8,1995," Ramos said.

Recent surveys, however, have shown that the Contemplacion case was not such a crucial election issue in the Philippines, which has nearly five million overseas contract workers sending home eight billion dollars a year.

Confesor, who sent in her letter of resignation to Ramos a month ago, maintained in a statement that the labor department was "not remiss" in its duties to assist Contemplacion and other Filipino overseas workers.

She assailed "unscrupulous groups" who criticized her policies, but said her continued stay as labor secretary "had begun to distort public perceptions" of the department, prompting her to step down.

The department is responsible for the welfare of Filipinos working abroad, whom Ramos has hailed as "new heroes" for their financial contribution to the country's rebounding economy. The hanging prompted Ramos to order stronger measures to protect the workers.

On the bilateral front, the Philippines and Singapore have agreed to seek the opinion of third-party experts to resolve conflicting autopsy findings on the remains of Delia Maga.

Contemplacion confessed to strangling Maga and her four-year-old charge, Nicholas Huang, but Philippine authorities said she might have been forced into confessing to the crime, and claimed the killer might have been a man.

The United States has agreed to help recommend experts but said it would not play a direct role in the autopsy to avoid getting entangled in the bilateral dispute.

Polls Open for Congressional, Local Elections

BK0805052395 Hong Kong AFP in English 2350 GMT 7 May 95

[FBIS Transcribed Text] Manila, May 8 (AFP)—Millions of Filipinos trooped to the polls early Monday as the Philippines held congressional and local elections.

Queues were seen in many polling precincts immediately before the start of balloting at 7 a.m. (2300 GMT). Some voters were armed with lists of candidates which they must write manually on ballots.

Polls close at 3 p.m. (0700 GMT) but the first winners are not expected to be proclaimed until later in the week. At stake are 12 of the 24 senate seats, all 204 House of Representative seats, and about 17,000 executive posts in the local governments.

In the southern Philippines, a government school building which was to be used in balloting in Wao town burned to the ground overnight, but no one was hurt, police said.

Benasing Macarambon, a legislator of the Muslim autonomous region in Lanao del Sur province, told reporters he suspected arson.

Elections Proceed 'Peacefully'

BK0805105895 Quezon City ABC-DWET Television in Tagalog 1000 GMT 8 May 95

[FBIS Translated Text] Over 30 million Filipinos in the whole archipelago cast their votes today to elect new municipal officers. Before the precincts opened, many people have already lined-up in order to cast their votes early.

In this election, 12 positions in the senate are at stake, 204 positions in Congress and over 17,000 positions for the local government. Voting precincts were closed exactly at 0700 GMT to start counting of the ballots. The trend cannot be determined immediately, but it is hoped that the winners in this election will be proclaimed within this week.

In general, the election was conducted peacefully, although there were isolated cases of violence and minor disruptions were reported. According to AGENCE FRANCE PRESSE, four people were reported killed today, while 26 were wounded in election related violence. Based on the records of the Philippine National Police, 35 died in election related incidents since the month of February when campaign period started.

Eighty percent of 36 million voters is estimated to have participated in the recently conducted election.

Election Violence Reported

BK0805102995 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0420 GMT 8 May 95

[FBIS Translated Excerpt] [Station announcer Rey Pacheco] Let us hear from our reporter, Nimfa Rogado, at the Commission on Elections. Go ahead, Nimfa Rogado. Good afternoon.

[Nimfa Rogado] As of this moment, there are already seven victims of election-related violence.

[Pacheco] How many?

[Rogado] Seven.

[Pacheco] Seven, just today?

[Rogado] From yesterday up until this moment. These are casualties confirmed by the Commission on Elections.

[Pacheco] Are they politically related?

[Rogado] Yes, these seven incidents are believed to be politically related. Aside from these seven, the Commission on Elections is still confirming other cases.

Let me list the seven we are referring to one at a time: Mayor Rosalia Umali of Calapan, Oriental Mindoro—a member of the LDP [Struggle of Filipino Democrats]—killed around 1200 GMT last night; Guillermo Salas of Bulolacao, Oriental Mindoro—also an LDP member—killed last night at around 1345 GMT; an identified incumbent councilor in Culabog, Biliran also reported killed last night; another unidentified candidate for councilor of Salamad, Banisilan, North Cotabato reported killed last night around 1151 GMT; Virgilio Reyes in Pasay City—a supporter of a candidate—was reported killed this morning at 2145 GMT; another unidentified political supporter in Mandaluyong City at around 1420 GMT last night; and Camilo Lubanan, brother of congressional candidate Nonoy Lubanan, in San Policarpio, Eastern Samar, reported killed at 1130 GMT last night.

There is also a report that a poll watcher for Alicia, Isabela mayoral candidate Roger Lim has been kidnapped.

Aside from the reports of casualties, the other prominent problem being referred to the Commission on Elections hotline is that of names not being found on the voters list.

Government List of Ipil Raiders Rejected

BK0805033295 Manila BUSINESS WORLD in English 3 May 95 p 12

[Report by Sandra S. Aguinaldo]

[FBIS Transcribed Text] The Moro National Liberation Front (MNLF) yesterday brushed aside the government's list of suspects in the Ipil raid, saying the names included by the military were not properly verified and that the real perpetrators were spared.

The list given by the government to the rebel group following a military investigation includes seven Abu Sayyaf members, 18 MNLF officers and two MNLF lost command leaders.

An MNLF official who requested anonymity said the military's list provided names which are unknown to the local Muslim community. He added that although some of them were undeniably members of the organization, majority of them were not MNLF leaders nor members.

In the list were Abu Sayyaf members Ustadz Muhaimin alias Upat Mata, Anwar Abubakar and commanders Biri, Hassan, Tiblani, Majid and Ubay; MNLF Zamboanga del Sur Committee representatives Atip Nieto, Abbas Tangkian, John Duvin Nieto, Akbari Samson and Ashiran Sapij, MNLF officials Abduraham Managay, Faisal Andar, Ustadz Anjayain Kasad, Alvarez Isnaji, Imshar Ben Atip, Muksin Mekarram, Abs Abdu, Kalingalang Totoh alias Englishman, Commander Yurad, Jamil Lukman alias Jimmy, Samah Abubakar, Commander Wali and Jagger Abubakar, MNLF lost command leaders Jimlan Salvador and Par Gan alias John.

The MNLF has began its own investigation on the Ipil incident, focusing on the alleged involvement of MNLF commanders and regular members in the assault.

The MNLF official said the military's list was not well-researched, citing Jamil Lukman as an example. Mr. Lukman, he said, is a government representative, being an elected assemblyman of the Autonomous Region for Muslim Mindanao (ARMM). Meanwhile, Kalingalang Totoh is already under the custody of the military. He added that Abduraham Managay and Alvarez Isnaji were both out of the country and that the latter is even one of the MNLF panel members. He also pointed out that Atip Nieto is already very old and cannot have been among those who attacked Ipil.

Ustadz Abubakar Abdurajak Janjalani, the Abu Sayyaf chief who was identified by military intelligence reports as among the three leaders of the assault and who was said to be actually present during the incident was not in the list despite the military's claims the Abu Sayyaf, together with some MNLF commanders, were responsible for the Ipil raid which claimed the lives of 47 people.

Meanwhile, the military launched the other day another air strike on Patikul, Sulu, creating severe damage to Abu Sayyaf installations and inflicting an undetermined number of casualties. One of the casualties was said to be a certain Hatib Ilaje Akkah who is believed to be a cousin of Abu Sayyaf commander Sulaiman Mali.

Muslim rebels manning MNLF camps in the area were reportedly alarmed by the series of bombardments on Abu Sayyaf lairs because of its proximity to their camps. Residents were likewise forced to vacate the area because they fear for their lives.

Lt. Gen. Alfredo Filler, Armed Forces of the Philippines vice chief-of-staff, said the Ipil raiders have escaped the Zamboanga peninsula to nearby provinces and islands. The military has ordered the simultaneous bombardment of Sacol Island, Tungawan in Basilan and Patikul, Sulu, where the raiders were reportedly hiding. Intelligence reports also identified surrounding islands as next targets.

The raiders have broken down into smaller groups to escape from a military dragnet.

Thailand

Clinton Criticized for Iran Sanctions

BK0605121995 Bangkok THAILAND TIMES in English 6 May 95 p A4

[Editorial: "Is Bill Clinton Seeking His Own Desert Storm"]

[FBIS Transcribed Text] It would appear there is very little international support for Washington's trade and economic embargo against the Islamic Republic of Iran. In fact "little" is being somewhat over-generous. Many countries are rightly alarmed at this sudden deterioration in relations between the US and Iran and have not been shy about voicing their anxiety.

To make a bad situation even worse, President Bill Clinton didn't choose a particularly good moment to make his announcement. Few people could possibly have missed the irony of Clinton's choice of venue, a Jewish forum. What was the man thinking? Cheap electioneering springs immediately to mind. By unfortunate coincidence, at the time of Clinton's announcement Israel itself was being pilloried in the international press after its biggest Arab land-grab in Jerusalem since 1967. It was too good an opportunity to miss. Columnists pounced and Clinton was left looking a little foolish. The Jewish community were also tainted by this amateur attempt to maximize the impact of the sanctions announcement. Didn't the organizers realize they were being used?

Bill Clinton says Iran is a sponsor of international terrorism. He says there is absolutely no doubt that radical and fundamentalist groups in Iran channel funds to their suicidal counterparts in other areas of the Gulf and Middle East. Whether they do it with government sanction is another question entirely. There is no reason to question the ability of US intelligence to discover enough evidence to support these allegations. The CIA have been doing it for years. Sending money to insurgent groups that is, not digging up evidence.

The gathering of money by various societies and other groups in Iran is probably not unlike the way Irish-Americans sent money to support the Provisional IRA in its 25 year terrorist campaign in Northern Ireland. Therefore it is obvious that if any government can recognize the sponsorship of terrorism, then Washington can.

It is also noteworthy that the United States has extensive experience in the clandestine side to Iranian foreign affairs. No matter how often the Americans try to gain the high moral ground the ghosts of Iran-contra will come back to haunt them, time and time again.

Then there are the allegations that Iran has ambitions to become a nuclear armed power. There is of course no question that every effort should be made to stem nuclear proliferation, but isn't the attitude of the current nuclear armed powers somewhat arrogant?

Cutting through the rhetoric, the permanent five members of the UN Security Council consider themselves to be the only states morally and intellectually qualified to possess the ultimate weapon. Russia, to take an example, is hardly a shining example of security ad stability.

Poor Russia. In a few days President Boris Yeltsin will host a gathering of world leaders to celebrate the 50th anniversary of Victory in Europe. One by one they will corner him at the numerous receptions and dinners and pound his ears soundly over his handling of the Chechen rebellion.

It must be embarrassing for him. Without Washington sponsored IMF money his guests would be treated to spam sandwiches and warm lemonade. And doubtless his troops in Chechnya would be throwing rocks instead of grenades.

It must be with some horror, therefore, that Yeltsin anticipates his first quiet words with Bill Clinton. A diplomatic spat of mammoth proportions is brewing over Moscow's insistence that it will honor its agreement to supply nuclear technology to Tehran. The deal is worth about as much in hard cash as Russia has had to beg from the IMF. Not surprisingly Yeltsin is reluctant to break the contract. After all, or so the current reasoning goes, if Tehran doesn't get its nuclear bits and pieces from Moscow they'll get it somewhere else anyway. Yeltsin obviously believes Iran's dollars would look just as good in the Bank of Moscow as anywhere.

What could have prompted this mis-step by Bill Clinton? Is it really as simple as some critics have suggested, that he merely wants to deflect public attention away from domestic problems? Or is he looking for his own Desert Storm? As a first term president, is Clinton looking for his place in the history books before the GOP ousts him from the White House?

U.S. Sanctions on Iran To Affect Rice Exports

BK0505123295 Bangkok Voice of Free Asia in Thai 1030 GMT 4 May 95

[From the weekly "Talking with listeners" economic program]

[FBIS Translated Text] Listeners, those of you who have listened to foreign news over the past few months must already know about the global concern about terrorism, whether from the extreme leftists, extreme rightists, or religious fanatics. The United States is a target of terrorism of all forms; and the U.S. Government has adopted a tough stance in opposing terrorism. Together with a concern for terrorism, the world is also vigilant about the expansion of nuclear weapons. Nobody wants to see any country developing nuclear power at this moment when peace prevails and the people are preoccupied with trade and economic developments. There has been an absence of the ideological warfare so prevalent in the past.

Due to the problem of terrorism and nuclear proliferation, the U.S. Government on 30 April announced trade and investment sanctions against Iran. It charged that the Iranian Government supports international terrorism and is developing nuclear weapons in an attempt to block the Middle East peace process. The United States is scared by the idea of Iran buying nuclear weapons to obstruct peace in the Middle East.

Listeners might wonder why a feature on the Thai economy is dealing with the issue of nuclear weapons and problems of other countries that have nothing to do with Thailand. In fact, this has an impact on Thailand's economy. It involves Thailand's economy, because Thailand ranks fifth as the biggest rice supplier to the United States for export to Iran. The United States has a contract to supply some 100,000 tons of rice to Iran. Of this amount, over 70,000 tons of the order has still not been filled. Besides the 70,000 tons due, it is estimated that Iran still needs more than 100,000 tons of rice in the near future.

Listeners, both Thailand and the United States are the world's major rice exporters. Thai exporters are familiar with Iranian markets because Thailand is the third biggest rice exporter to Iran. Thailand last year exported 300,000 tons of rice to Iran. Iran is an important market for Thai rice exporters because it has a population of 60 million with a high purchasing power—Iran is an oil exporting country which enjoys stable financial economy.

The U.S. Government called for support from its allies in its bid to pressure Iran through sanctions. However, the charge made against Iran was not strong enough to justify U.S. drastic measures and convince other countries to believe that the sanctions would be effective as they have been in the past. No matter how hard the U.S. Government may try to apply trade sanctions, the U.S. businessmen always find ways to indirectly conduct trade and investment with Iran. Sanctions imposed by the United States would only result in reducing trade contacts, but they would never lead to shortage of goods in Iran to the point that Iran would have to succumb to U.S. pressure. It is the American farmers and businessmen who will suffer from the sanctions because Iran is a fast growing market for their products, especially Iran's demand for imports such as rice, corn, duck, chicken, and yellow beans, which are mainly products from the United States.

This is, therefore, a golden opportunity for Thailand to export quality rice to Iranian markets. With fewer competitors, Thai rice might fetch a better price. Even though trade suspension between the United States and Iran might be only temporary, Thai exporters should still try to explore the markets. Once we have the customers on our side, it will not be easy for the Americans to snatch them back.

The sanctions, however, have still not taken effect; the U.S. Government gave a 30-day grace period to its businessmen to clear all orders. A termination of trade and investment will start only 30 days later this. Anyway, it is still not certain whether President Bill Clinton will review his decision—due to the fact that his political base is in Arkansas, a state where rice production accounted for 40 percent of overall U.S. rice production. We will have to wait for developments, but there is always a good chance for Thai businessmen to try markets in the Middle East.

Listeners, this is a good example to show that political disputes, relations or cooperation among nations can influence the well-being of farmers in Thailand. In the present world, international issues can always have an impact on us.

Japan Picks Nation as Top ASEAN Export Base

BK0805055295 Bangkok BUSINESS DAY in English 8 May 95 p 1

[Report by staff writer Roy H. Reynolds]

[FBIS Transcribed Text] Thailand will serve as the primary export base for Japanese companies selling products in ASEAN and Indochina, said Taro Ishibashi, minister for the Japanese embassy in Bangkok.

Thailand is the first choice of Japanese companies seeking to relocate overseas, he said.

"The sound economic policy of the government, a sophisticated, skilled central bank, capable financial ministers such as (Finance Minister) Mr. Tarrin (Nimmanahemin) and (Deputy Prime Minister) Dr. Suphachai (Phanitchaphak), sound, solid, steady economic policies, and a steady policy framework mean that we can count on the future."

He added: "The surge in the yen has been a driving force behind Japanese direct investment. China used to be the most attractive country for overseas investment. Now, you hear so much about the risks, so companies are trying to look for other areas."

According to Mr. Ishibashi, there are four salient characteristics of the new wave of Japanese investment.

First, direct investment in Thailand is being globalized—the new investment is export-oriented. Earlier, Japanese manufacturers located factories in Thailand primarily to supply the Thai domestic market. Now Thailand is a base for export production.

Second, Japanese companies are now producing basic materials in Thailand, such as steel. Instead of merely using Thai factories for labor-intensive assembly operations, Japanese companies are now manufacturing complete products in Thailand. For example, Toyota is now producing complete pick-up trucks. Only 10 percent of the components for its personal automobiles are imported from Japan, and production of these high technology parts is expected to be shifted to Thailand soon.

Third, Japanese companies have begun looking at the six ASEAN countries as a single, unified region. Trade among these countries benefits from reduced tariffs due to the ASEAN Free Trade Area agreement.

Japanese companies are locating their component production plants throughout the region and shipping components between countries for final assembly, he said.

They are also treating the entire region as a unified market, in which products can be manufactured in one country and sold in the others.

The new market-oriented policies of Myanmar [Burma], Vietnam, Laos and Cambodia will further enhance economic integration in the region, he said.

Fourth, small- and medium-size Japanese companies are now seriously considering locating to Thailand. Previously, only large companies were willing to venture overseas. Now, even smaller businesses are considering Thailand due to the high costs of doing business in Japan.

Industries Suggest ASEAN Cooperation Forum

BK0805060395 Bangkok BANGKOK POST in English 8 May 95 p 17

[FBIS Transcribed Text] The Federation of Thai Industries [PTI] favours the establishment of an ASEAN Joint Public and Private Consultative Committee as a forum for the public and private sectors to increase cooperation among members of the regional group.

FTI president Chokchai Aksaranan, former head of the ASEAN Chambers of Commerce and Industry (ASEAN-CCI), said at the weekend the committee should be modelled on Thailand's consultative committee.

An informal meeting of ASEAN economic ministers agreed the role of the ASEAN private sector would expand to foster more cooperation within the group to increase member states' competitiveness in the global market.

Deputy Prime Minister Suphachai Phanitchaphak, who chaired the meeting said participants agreed their next meeting in September would have a forum for the ASEAN private sector and another for chambers of commerce and industry and economics ministers.

This marks a shift in ASEAN cooperation because the chambers previously only observed ministerial meetings.

Dr. Suphachai, who strongly favours establishment of the committee said the private sector could help cooperation among ASEAN members.

Dr. Chokchai said if the economic ministers agreed to establish the committee, a permanent secretariat for the chambers should be appointed to boost cooperation between the ASEAN public and private sectors.

The chambers plan to meet soon as their session scheduled for April was postponed because of a dispute between Manila and Singapore over the execution of a Filipina maid.

Dr. Chokchai said the chambers' council meeting in 1993 appointed a working group to assess how the chambers could be restructured to play a major role in increasing cooperation among the public and private sectors.

If the council approves the group's proposals, the results may be proposed at the economics ministers' meeting in Brunei.

"Once the chambers have a permanent secretariat and a source of funding, there will be major opportunities for the promotion of intra-regional trade and investment in compliance with the ASEAN Free Trade Area," Dr. Chokchai said.

The ASEAN-CCI, established in 1972, apparently believes it is the most appropriate vehicle to promote intra-regional economic development and international involvement in the region. Three groups from the Thai private sector, the industrial federation, the Board of Trade and the Thai Bankers' Association, have joined the group.

But Dr. Chokchai concedes that ASEAN's private sector is playing a passive role in promoting cooperation among member countries because the ASEAN-CCI lacks a permanent secretariat. ASEAN members now rely on the ASEAN-CCI president who serves a two-year term, which means some continuity is lost.

Prayun Thaloengsri, executive director of Thailand's Chamber of Commerce, said cooperation from ASEAN's private sector depended on what role the public wanted the sector to play.

ASEAN members should make more sincere efforts toward increasing cooperation, he said. In the past, they held discussions but could not reach a consensus.

Basic cooperation in areas such as intra-ASEAN transport should be focussed on, he said.

According to Mr. Prayun, a problem facing the Thai private sector is that fewer business people are interested in playing a primary role in international forums.

Chuan Says No Change in Burma Policy

BK0705130695 Bangkok THE SUNDAY POST in English 7 May 95 p 1

[FBIS Transcribed Text] Prime Minister Chuan Likphai yesterday said the Government's policy of constructive engagement towards Burma would remain unchanged despite recent incursions into Thailand by renegade Democratic Karen Buddhist Army [DKBA] troops.

"The national policy on Burma will continue and nothing will change it. We should separate international affairs from one particular issue.

"Besides, diplomatic means will be used where necessary," he said, responding to questions on the recent suggestion that Thailand should review its relations with its neighbour.

Prime Minister Chuan made the statement while he was presiding over the opening ceremony of a plastic pellets refinery in Rayong Province.

The premier also said the situation along the Thai-Burmese border had not yet reached a point where discussion between leaders of the two countries was necessary.

"Authorities from the Thai-Burmese Border Committee are working on the matter," he said.

Asked if Thailand would drop its invitation for Burma to observe the ASEAN foreign ministers' meet in Brunei next month, Mr Chuan said a temporary situation should not be brought in to complicate the national policy.

"(We) have to be firm and not panic over one trivial issue," he said.

In Mae Hong Son Province yesterday, police reinforcements with the backup of armoured cars were dispatched to the border in Mae Sariang District.

Patrols on the road between Mae Sariang and Mae Sot District of Tak have also been stepped up.

An army helicopter gunship yesterday morning flew over Huai Mae Pua, Sop Moei District, which was the scene of a clash Saturday evening between Thai security forces and elements of the Democratic Karen Buddhist Army.

About 10 DKBA troopers are believed to have been killed, mostly by strafing by two army helicopter gunships.

The raid last Wednesday on an abandoned Karen refugee camp by DKBA troops has forced most of the residents of nearby Ban Mae Sam Laep to escape to Mae Sariang District township.

Most of the shops in Ban Mae Sam Laep remain closed.

Interior Minister Sanan Khachonprasat will today visit Sop Moei District.

Foreign Minister Krasae Chanawong said yesterday that Burma must be held responsible for the incursions by DKBA forces.

He added that if Rangoon refuses to take any responsibility, Thailand has the right to carry out hot pursuit into Burma to punish the intruders.

Government agencies responsible for national security had earlier agreed to relocate Karen refugees from camps along the Thai-Burmese border.

Daily Urges ASEAN To Draw Line on Burma

BK0605142395 Bangkok THE NATION in English 6 May 95 p A4

[Editorial: "Asean Duping Itself That Slorc Generals Are Angels"]

[FBIS Transcribed Text] As the government's foreign policy makers ponder how to react to the repeated incursions of Slorc [State Law and Order Restoration Council]-backed guerrillas across Thailand's northwestern frontier, maybe they can spare some thought for nine young Burmese who were recently sentenced to seven years imprisonment in Rangoon's notorious Insein jail.

The nine students, three of them women, were convicted of stirring up anti-government sentiment at the February 20 funeral of Burma's only democratically-elected leader, U Nu. Among the most serious crimes the students will go to jail for was the singing of a revolutionary lament popularized during the 1988 uprising, the chanting of pro-democracy slogans, and the laying of a wreath at U Nu's grave.

In sad truth, there is nothing remarkable about the case. The nine are being punished with the same severity wielded against all Burmese who dare raise a cry of protest against the generals who have hijacked their country. It is a story of such commonality that it will barely merit a mention in the regional press. It is a story that has been played out over and over in Burma for the last 33 years, just one more dip in an ongoing cycle of revolt and vicious suppression.

The only thing that has really changed in Burma since 1962, when military strongman Ne Win overthrew U Nu, was the junta's decision six years ago to open the country to the world after they had led it to economic ruin.

The junta, or State Law and Order Restoration Committee, as it prefers to be known, has little time for the international community, its ideas of human rights or democracy, but it does want its money and technical assistance. Reviled at home because of its brutal inept and illegitimate rule, Slorc seems convinced it can buy over the people of Burma with economic development.

After so many years of poverty, it seems unfair to deny the common Burmese their chance to build better lives and possess a few of the goods that make modern living comfortable. But it is unlikely to happen. Businessmen coming back from Burma shake their head at the ignorance of the generals about economic matters. After so many years of isolation and socialist misrule, there is neither the entrepreneurial class or capitalist infrastructure to help the country make the transformation to a successful private economy. And with exception of Asean, there is little willingness on the part of the international community to help. As things stand today, Burma is poised only to enter an era of economic exploitation and cronyism.

Despite the outrageous slap in the face the Slorc-backed border raids represent to Thailand and its efforts to rehabilitate Burma from its status as international pariah, the Foreign Ministry insists that its constructive engagement policy is the only way to go. Apparently, Bangkok will do nothing to condition its standing invitation to Rangoon to attend an Asean foreign ministers meeting in Brunei next month.

Responding to charges that the attacks deep into Thai territory demand a rethink of Thai policy towards Burma, Foreign Minister Krasae Channawong asserted that constructive engagement is the only way to win Rangoon's trust.

"What Burma needs most is for us to increase confidence-building measures," the minister told reporters on Thursday, only hours after three Thai policeman were killed in a clash with pro-Rangoon Karen guerrillas inside Thailand.

Just how much diplomatic goodwill Thailand is prepared to fritter away on Slorc remains to be seen. Seemingly, throwing the borders open and allowing Slorc's allies to rampage through the country in pursuit of their enemies would suggest quite a lot.

Somewhere in the fuzzy world of foreign diplomacy a line has to be drawn. Rangoon crossed the bounds of civilized behaviour decades ago but until recently the brunt of their barbarity was visited exclusively on their own citizens. Now Thais are dying and being forced to flee their homes because of Slorc excesses and its single-minded determination to crush all opposition to its rule.

Asean officials like to boast of their consensual, "sophisticated" approach to diplomacy and international problems. No room here for rude confrontation or threats. How the barbarians of Rangoon fit in is not clear. The generals should be told if they want entry to this prestigious club they must first leave their jackboots at the door. If they won't, then Asean should issue an invitation to Aung San Suu Kyi to attend on behalf of all Burmese. The point would be blunt but at least Slorc might get it.

Army Enters Burma To Attack Buddhist Karens

BK0505160695 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 5 May 95

[FBIS Translated Text] Reports say that soldiers along the Thai-Burmese border in Mae Hong Son Province have started hunting the Buddhist Karens believed responsible for the killing of three border patrol policemen two days ago. Soldiers reportedly crossed the border into Burma and inflicted casualties on the culprits. They are thought to have killed about a hundred

Karens. The campaign was launched in the wake of an announcement by the Third Army Region commander yesterday that Thailand must take action because the Karens have acted like criminals. They intruded into Thailand, violating Thai sovereignty and killing Thai officials.

Army Commander General Wimon Wongwanit said during an interview with reporters in Bangkok that the Burmese Government is responsible for what happened. He also called for cooperation from the border people concerning military intelligence gathering. Commenting on the problem along the Thai-Burmese border, the Army commander said people along the border should be instilled with a sense of patriotism so they can provide the military with intelligence information. He said that soldiers alone cannot guard the long border effectively. The Army has been trying to improve its intelligence gathering. Gen. Wimon said the Burmese Government in Rangoon cannot deny responsibility for what has happened because those who attacked us were Burmese citizens.

Meanwhile, General Chatchai Chunhawan, leader of the Chat Phatthana Party, believes the problem along the Thai-Burmese border should be settled by diplomatic means. Gen. Chatchai said during an interview with reporters in Nakhon Ratchasima Province that the government and military should not resort to the use of force in a violent manner, but should try to settle the problem through diplomatic channels. Concerning the refugee camp, Gen. Chatchai said he agrees with the proposal that the camp be located deep inside Thailand and that all refugees should be gathered in one place because there are only 7,000 Karens. On the Burmese Government's rejection of responsibility for the crimes committed by the Karens, Gen. Chatchai said Burma must be held responsible because there is no Karen state.

Interior Minister Major General Sanan Khachonprasat said he will inspect the border area on Sunday. He said there is no reason to worry about relations and border trade now; we must put priority on protecting national sovereignty.

Concerning other developments along the Thai-Burmese border, there is a report that a number of Karen refugees in Thailand want to leave for Burma while quite a number want to remain here in Thailand. Our correspondent Suracha Bunpiam reports from the border:

[Begin recording] Some of the Karens refugees who took shelter at camps inside Thailand after a major clash between Burmese Government troops and Karen forces have started returning home. About a hundred are leaving for Burma daily.

Thai border patrol policemen and defense volunteers in Tak Province counted them and searched for weapons as the refugees crossed the Mae Moei River from Ban Tha Song Yang in Tha Song Yang District, Tak Province to the Burmese side. In Burma, Burmese soldiers and officials again counted them and transported them by car to the closest village, about 20 km from the Moei River deep inside Burma. Most of the returning Karen refugees are women, children, and the elderly. There is only a small number of strong men. They carried necessities like food and clothes. They were told by the Thai authorities that they would not be allowed to return to the Thai side; in other words, the Thai-Burmese border at Tha Song Yang in Tak Province is closed.

The Karens at Huai Manok camp say that most of those who returned to Burma are Buddhist Karens and ordinary villagers who received a message from the Buddhist Karens inside Burma. They were advised to return home because Burma will issue them identity cards and provide them with land to live on while men who volunteer to become soldiers will receive salaries.

The area the Karens are heading to is called Kawthulay, with Manerplaw as its headquarters, now under the control of Burmese soldiers. Kawthulay is on the Moei River opposite Tha Song Yang in Tak Province. It also borders the Salween River, which joins the Moei River in Sop Moei District, Mae Hong Son Province.

Only a small number of Karen refugees left for Burma compared to the majority that chose to remain in Thailand. Tens of thousands do not want to return to Burma because they are unsure about the safety of their lives and property or about the living conditions. [end recording]

Editorial Blames Rangoon for Border Incursions

BK0705130395 Bangkok THAILAND TIMES in English 7 May 95 p A 4

[Editorial: "Rangoon's Responsibility"]

[FBIS Transcribed Text] This weekend the rattle of machine gun fire and the crash of rockets could be heard up and down the Thai-Burmese border. This time, however, it wasn't unidentified raiders who were responsible, it was Thailand's military making what many argue was a belated response to recent cross border incursions.

Late last week Prime Minister Chuan Likphai gave a green light for the military to retaliate against the outrageous violations of Thailand's sovereignty. Army reinforcements moved up to the border and commenced a measured and proportional response.

Only time will tell if the message has been received in Rangoon. More importantly though, is whether the message was clear enough to understand.

Blame for the raids against Karen refugee camps has been laid firmly at the feet of the Democratic Karen Buddhist Army (DBKA). Coerced by the military junta in Rangoon, the Buddhist splinter group broke away from their Christian allies in the Karen National Union (KNU) and played an effective role in the offensives against Manerplaw and Kawmoora.

The fall of these two KNU strongholds was not achieved without some cross border skirmishing. At the time of the offensives in December and January, officials on the Thai side of the border positively identified Rangoon government troops fighting alongside rebels of the DBKA. In fact, Burmese troops were included in units that crossed the border to carry on the fight inside Thailand.

Is it not remarkable then that in the few months since the fall of Kawmoora the military junta in Rangoon should find itself in a position where it has no control over the actions of the DBKA, nor be in a position to intervene when it is obvious the Buddhist rebels are violating the national sovereignty and territorial integrity of its greatest ally and supporter? One could be forgiven for thinking that in view of the important role Bangkok has played in the rehabilitation of Burma, the authorities in Rangoon would have gone to any length to prevent damaging the doubtless profitable relationship.

Are the be-ribboned politician/generals in Rangoon really so ineffective? If they are, then it is obvious Thailand has made a big mistake regarding the gas pipeline deal. What assurances can the junta give Bangkok that its investment will be protected?

The military government in Rangoon has struggled against its armed internal opponents for decades with only marginal success. They were, however, far more effective against unarmed civilians on the streets of Rangoon on September 18th, 1988. If the assurances that they have nothing to do with the recent border disturbances are to be believed, then not only can't they subjugate their enemies, they can't control their allies either. What a hopeless bunch they must be.

By now it should be apparent to even the most ardent supporter of constructive engagement with the Burmese junta, that those gentlemen of the State Law and Order Restoration Council (SLORC) simply cannot be trusted. While the Chuan administration acknowledges the authority of Slorc, it would be interesting to hear their opinion on its legitimacy as the government of Burma. Doubtless that question would be fobbed off with the standard: "It isn't the policy of Thailand to interfere or comment on the internal affairs of another country."

To give Slorc the benefit of the doubt, it may well be possible that the troops who are responsible for the cross border incursions did not receive their orders from Rangoon. Perhaps the raiders are a splinter group of the splinter groups that split away from the KNU. Maybe the telephone lines are down, the roads washed out, the radio transmitters broken and the carrier pigeons dead. The bottom line isn't so much whether or not Rangoon sanctioned the incursions, but what they have done to stop them.

The answer is that they have done nothing.

Agreements on Border Reached With Cambodia

BK0605122795 Bangkok BANGKOK POST in English 6 May 95 p 6

[Report from Phnom Penh by Nutsara Thaithawat]

[FBIS Transcribed Text] Thailand and Cambodia have agreed in principle to establish a mechanism for border cooperation at three levels—local, regional and national—senior Thai and Cambodian officials said yesterday.

They have also agreed in principle to upgrade two temporary border crossings to permanent border checkpoints at Khlong Luk-Poipet and Trat-Koh Kong, the officials said.

The agreement was reached after a one-day meeting of senior officials from both countries ahead of the first meeting of the Thai-Cambodian Joint Commission which opens this weekend.

Problems along the 824-kilometre-long border, including fighting spillovers, banditry, illegal trade and border crossing, have soured the relations between the two neighbours.

Cambodian Foreign Minister Ing Huot said border problems constituted one of the important issues between the two countries, "that's why we put it at the top of the agenda," but added that cooperation in other areas is also important.

He said both countries have submitted almost an identical agenda for the May 5-7 meeting, which "shows that both countries have similar opinions on bilateral issues."

Dr Chem Vitthya, Cambodia's permanent secretary for foreign affairs, said both sides have agreed in principle to have representatives from concerned ministries deal with immigration, customs, and other matters under the border mechanism.

Sarot Chawanawirat, Thai deputy permanent secretary for foreign affairs, said that at the local level both sides have agreed in principle that the Thai Army Regions 1 and 2, the Suranari and Burapha Task Forces work with Cambodia's Army Regions 3, 4, and 5, and provincial, interior and customs officials.

At the regional level will be the supreme commands of both countries, and at the national level their defence ministries, said Mr Sarot.

"The meeting was conducted in a cordial atmosphere, we are satisfied with the atmosphere between the two countries, both sides tried to cooperate," Dr Vitthya said.

Mr Sarot also said the atmosphere was friendly.

As for the border checkpoints at Khlong Luk-Poipet and Trat-Koh Kong, Mr Sarot said the Thai side has submitted a draft agreement for the administration of the checkpoints and if it could be agreed at this meeting, the foreign ministers could sign the agreement this weekend.

He added Thailand wants to upgrade or open as many border checkpoints as possible but it still has some concern about security and the Khlong Luk-Poipet and Trat-Koh Kong are the two priorities for now.

Dr Vitthya said Cambodia mentioned three other checkpoints, Anma Pass, Boeng Tra Kuon, and O Smach.

The Thai side responded that it would consider the Cambodian proposal.

Mr Sarot said the Thai side has submitted a draft extradition treaty and consular affairs agreement to the meeting.

Dr Vitthya said the extradition treaty is a delicate issue and it is too early to comment on its coverage.

Thailand has never concluded a consular affairs agreement with any other country.

It has worked on the possibility of concluding one with a number of countries, but in vain.

If it could be worked out with Cambodia, then it would be the first country to have such agreement with Thailand.

In the area of economic cooperation, Mr Sarot said Thailand is ready to help Cambodia as much as possible, but it has limited resources.

A source at Cambodia's Department of International Cooperation said Thailand yesterday offered 100 scholarships, short training courses, and study tours for the public health ministry over a period of two years, 50 for officials of the defence ministry, and 50 others for various other ministries.

Ministry To Train Cambodian Staff for ASEAN

BK0605123695 Bangkok THE NATION in English 6 May 95 p A3

[Report by Marisa Chimprapha]

[FBIS Transcribed Text] Phnom Penh—Thailand has agreed in principle to train staff from the Cambodian foreign ministry to prepare them for Phnom Penh's entry into the Association of Southeast Asian Nations.

Deputy Permanent Foreign Secretary Sarot Chawanawirat said yesterday the training would be given by his ministry's Asean Department.

Agreement was reached yesterday at a senior officials' meeting of the Thai-Cambodian Joint Commission.

"Cambodian has already sent officials to Malaysia and Indonesia to learn how the Asean departments in those countries operate," Sarot said.

Foreign Minister Krasae Chanawong is due in Phnom Penh tomorrow to attend the commission's two-day ministerial meeting.

Yesterday's meeting also agreed in principle to set up three levels of joint border committees: the first to comprise senior army officers controlling the border areas, the second involving the supreme military command, and the third defence ministers.

Thailand has also resubmitted a proposed agreement on upgrading temporary border checkpoints to permanent status. The proposal was first put forward two years ago.

"The Thai side has expressed concern about security along the border as grounds for upgrading the checkpoints. Anyway, we agreed that we will start with the crossing between Sa Kaeo's Aranyaprathet district and Cambodia's Si Sophon province and Trat province and Cambodia's Koh Kong province," Sarot said.

Thailand also proposed an agreement for an ext.adition treaty and a consular agreement, he added.

Cambodian Foreign Minister Ing Huot said yesterday both countries had proposed very similar agendas.

"That means we have similar opinions about our bilateral relations," he said.

"The border issue is one of the important issues. That's why we put it at the top of the agenda."

Phnom Penh sources said the Cambodians had also proposed establishing permanent border checkpoints with the provinces of Sisaket, Surin and Ubon Ratchathani to facilitate the shipment of processed wood products into Thailand.

There are three temporary border crossings: Chong Chom, Chong Phra Phalai and Chong Anma. Anma was sealed off late last year after 22 Thai loggers and two Thai police sergeants were killed by unidentified armed men in separate incidents.

However Thai officials said it was unlikely that Bangkok would agree beyond upgrading the two crossings at Sa Kaeo and Trat, given the nightmarish saga of killing in Cambodia opposite Anma.

They said there was still concern about security in the three proposed areas. They doubted the capability of the Cambodian government to protect the timber route, which partly runs through Khmer Rouge-controlled areas.

Vietnam

Le Duc Anh Continues Official Visit in Syria

Meets With Syrian President

BK0805010095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 May 95

[FBIS Translated Text] According to a VNA correspondent in Syria, on 5 May President Le Duc Anh held talks with Syrian President Hafiz al-Asad at the Presidential Palace in Damascus.

Attending the talks on the Vietnamese side were Foreign Minister Nguyen Manh Cam; Nguyen Viet Dung, director of the Presidential Office; Commerce Minister Le Van Triet; Education and Training Miniter Tran Hong Quan; Deputy Foreign Minister Nguyen Dy Nien; Vo Hong Phuc, vice chairman of the State Commission for Sciences; and Tran Van Giap, ambassador to Egypt, Kuwait, and Syria. On the Syrian side were Vice Presidents 'Abd-al-Halim Khaddam and Muhammad Zuhayr Mashariqah, Prime Minister Mahmud al-Zu'bi, Foreign Minister Faruq al-Shar', and Nasir Qaddur, minister of state for foreign affairs.

At the talks, the two sides informed each other oftheir own socioeconomic situation and regional and international issues of mutual concern. President Le Duc Anh introduced to President Hafiz al-Asad Vietnam's foreign policy of independence, sovereignty, and openness under the direction of multidiversification in the guidelines of Vietnam wanting to befriend all countries in the international community and to strive for the undertaking of peace, cooperation, and progress among all nations.

Regarding SRV-Syria relations, President Le Duc Anh stated that this relationship is a traditional one and that the peoples of the two countries have supported each other in their fighting for national independence and construction. The Vietnamese people cherish very much at the Syrian people's courageous struggle to regain and consolidate independence. We also highly evaluate the Syrian people's great achievements in national construction and contributions to the common struggle of the world for peace, independence, democracy, and social progress under the leadership of the Arab Socialist Renaissance Party led by President al-Asad. Vietnam, as always, is resolute in supporting the fighting of the Arab people, including Syria, to regain territories that have been occupied by foreign forces. Vietnam highly evaluates the precious support and assistance by the Syrian president, government, and people to our former undertaking for national liberation and unification and to our current national protection and construction. President Le Duc Anh also conveyed our government and people's sincere and profound appreciation to the Syrian president, government, and people for their precious support and assistance.

President al-Asad heartily welcomed President Le Duc Anh's visit to Syria. He expressed the belief that through this visit, the friendship and cooperative relationship between the two countries will be consolidated and developed incessantly. He also expressed the Syrian people's admiration at the brave and stubborn fighting for national independence and at achievements recorded in the current undertaking of national reconstruction by the Vietnamese people. President al-Asad highly evaluated the Vietnamese Government and people's stance in supporting Syria's efforts for a just and comprehensive peace in the Middle East.

At the talks, the two sides unanimously maintained that as members of the Nonaligned Movement, Vietnam and Syria share many common points and enjoy favorable conditions to strengthen and develop their cooperation in many fields for mutual benefit. Vietnam and Syria will work, support, and cooperate with each other in all international forums. The two sides expressed their belief that in the coming period, Vietnam and Syria will further accelerate their economic, commercial, cultural, and science and technical cooperation in an efficient and practical manner for the benefits of the peoples in the two countries.

On this occasion, President Le Duc Anh solemnly invited President al-Asad to pay an official visit to Vietnam, and President al-Asad happily accepted the invitation.

Before this talks, Ministers Nguyen Manh Cam, Le Van Triet, and Tran Hong Quan held contact and exchange meetings with the Syrian ministers of economy, commerce, education, and technology to discuss practical measures to further accelerate the cooperative relations between the two countries.

Speaks at Banquet

BK0605131495 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 May 95

[Report by Truong Cong Hoa]

[FBIS Translated Text] Dear friends, yesterday evening, 4 May, Syrian President Hafiz al-Asad hosted a grand reception in honor of SRV President Le Duc Anh and the other Vietnamese guests accompanying him. In his opening speech, President Hafiz al-Asad said:

[Begin Hafiz al-Asad recording, in Arabic fading into Vietnamese translation] Your Excellency the President and members of the Vietnamese delegation, I would like to warmly welcome each and every one of you to our country. Vietnam has a special place in the hearts of our people. We always highly value the Vietnamese people's protracted and heroic struggle. Your people's great sacrifices have led to national liberation and unification. It is interesting to note that His Excellency the President's visit to our country coincided with the anniversary of the liberation of Saigon now named after Ho Chi Minh, the great fighter who has guided the Vietnamese people in their most arduous struggle. The liberation of Saigon was the culmination of the Vietnamese people's struggle. The Syrian people and peace and justice-loving peoples worldwide did all they could to support the Vietnamese people and sincerely shared the joy of their glorious victory. The Syrian people admire the Vietnamese people's glorious struggle to heal the wounds of a savage and cruel war of aggression, promote socioeconomic development, and rebuild their country. We wish the Vietnamese people even greater achievements in all fields. We are positive that the Vietnamese people will continue to score new victories.

Your Excellency the president and ladies and gentlemen, we highly appreciate the support of the Vietnamese

Government and people for Syria's efforts to reach an equitable and overall solution for peace in the Middle East. As the whole world can see, our sincere endeavors have not brought about the expected results because Israel continues to cause obstacles and refuse to carry out committments that lay the groundwork for peace. We unswervingly carry on this peace process based on the resolutions of the United Nations and the principle of land for peace, or to put it in another way, the liberation of occupied territories and restoration of the freedoms that rightfully belong to the Arab people.

The struggle for equitable peace is closely linked with efforts for national construction and development. As far as this struggle is concerned, we have made major progress and scored results that create a firm basis and sharpen our determination to overcome all challenges.

Your Excellency the President, your visit is a valuable opportunity for both sides to exchange views, understand the situation in each country, and discuss measures to promote the friendly and cooperative ties between Syria and Vietnam.

Your Excellency the President, once again I would like to warmly welcome you and your delegation and wish you the best of luck during your stay in our country. I am positive that our talks will yield fine results. Finally, I would like to invite each and every one of you to join me in welcoming President Le Duc Anh and wishing him good health and happiness. I wish the Vietnamese people constant success and prosperity. [applause] [end recording]

In his reply, President Le Duc Anh said:

[Begin Le Duc Anh recording] Your Excellency the president and leaders of the Syrian state, government, and Syrian Restoration Party, first of all, on behalf of the Vietnamese party, state, and people as well as of our delegation, I would like to sincerely express gratitude for the fine sentiments and hospitality that the Syrian president and people have accorded us at the very moment when we first set foot on this heroic and beautiful country. Your sentiments testify to the close relationship that has linked our two peoples for half a century now since the day the two peoples rose up and fought to liberate themselves from the yoke of domination of colonialism.

Being close friends, the Vietnamese people always follow with keen interest the brave struggle of the Syrian people to wrest back and consolidate national independence. We highly value the great national construction and development achievements that the fraternal Syrian people have scored under the leadership of the Syrian Arab Restoration Party headed by His Excellency the President. We also highly appreciate Syria's positive contributions to the world people's common struggle for peace, national independence, democracy, and social progress.

The Vietnamese Government and people unswervingly and resolutely support the struggle of the Syrian and Arab peoples, including the Palestinian people, to regain control over the occupied territories and wrest back their basic national rights. We welcome the Mideast peace process based on UN Security Coucil Resolutions 202 and 338, designed to reach an equitable and lasting solution to the Mideast issue and guarantee the interests of all parties involved.

The Vietnamese people have just commemorated the 20th anniversary of the complete liberation of South Vietnam and national unification amid a jubilant atmosphere. The event marks a very great victory brought about by the blood and bones of millions of outstanding sons and daughters of the Vietnamese nation as well as by the support of broad sections of the world community, including the valuable support and assistance of the Syrian people.

On this occasion, on behalf of the Vietnamese party, government, and people, I would like to sincerely thank the Syrian people and the leadership of the Syrian Arab Republic headed by President Asad for their valuable support and assistance. I am positive that this official friendship visit to Syria by our high-level state delegation will be a new and important landmark in further strengthening and promoting the existing good friendship and cooperation between the two countries in many fields, particularly in economic and trade, in keeping with the potential and common interests of our two countries and for the sake of peace, stability, friendship, and cooperation among nations.

Amid this jubilant atmosphere, I would like to invite Your Excellency the President and each and every one of you to raise your glasses. Let's wish the Syrian Arab people under the leadership of President Asad greater achievements in safeguarding independence and bringing about prosperity to the nation. Let's wish the friendship between the Vietnamese and Syrian peoples constant consolidation and development. I wish the President and all of our distinguished guests here good health. [applause] [end recording]

Le Duc Anh Ends Syria Visit, Leaves for Paris

BK0805102795 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 May 95

[FBIS Translated Text] After successfully concluding his official friendship visit to the Syrian Arab Republic, President Le Duc Anh left the capital city of Damascus this morning, 7 May, for the French Republic. He will attend the 50th anniversary of the victory over fascism at the invitation of French President Francois Mitterrand.

Foreign Minister Interviewed on Mideast Tour

BK0805125395 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 May 95

[Interview with Foreign Minister Nguyen Manh Cam by an unidentified correspondent; place, date not given—recorded]

[FBIS Translated Text] [Correspondent] Comrade Foreign Minister, President Le Duc Anh has successfully concluded official visits to Kuwait and Syria. Please evaluate the results of these visits.

[Nguyen Manh Cam] Our president's visits and exchanges of views with the amir of Kuwait; the Syrian president; other Kuwaiti and Syrian Government leaders; and representatives of the Kuwaiti and Syrian people from all walks of life, including politicians, cultural workers, scientists, social activists, and businessmen, provide further proof of the fine sentiments that the leaders and people of these host countries reserved for us in the past. These exchanges of views not only reflected the host countries' admiration for the unmatched combat bravery our people as displayed in the resistance war, but also their recognition of the achievements of our renovation undertaking, and particularly their appreciation for the unchanged feelings our people have reserved for the Kuwaiti and Syrian peoples.

Furthermore, after each exchange of views, the leaders and people of the host countries maintained that the Vietnamese president's trip had rekindled the very fine feelings and images already engraved deeply in their minds. The visits reminded them of the need to develop economic and trade ties to make them commensurate with the good political relations they have with our country.

Proceeding on this basis, our president and delegation signed an agreement with the Kuwaiti amir and government and another agreement with the Syrian president and government to serve as the legal basis for lasting cooperation. The two agreements cover economic, trade, scientific-technological, and cultural cooperation between our country and Kuwait and Syria. In addition, members of the Vietnamese delegation exchanged views with their Kuwaiti and Syrian counterparts on practical measures to implement the agreements reached between the Vietnamese president and the Kuwaiti amir and Syrian president. They discussed, for example, practical measures to promote trade, cultural exchanges, and education and training.

These facts not only show the desire of the Kuwaiti and Syrian peoples to consolidate their existing friendship with our people, but also their awareness of the need to continue broadening bilateral cooperation in many fields. This is also proof of their desire to join us in responding to the strong world movement for cooperation to serve national, regional, and international development goals.

The leaders and people of the host countries thanked us after each exchange of views because the Vietnamese president's visits made them recall their very good impressions of the Vietnamese land and people. They also said that Vietnam has set a good example of national construction for them to follow.

In return for their hospitality, we invited the Kuwaiti amir and Syrian president to visit our country. Both accepted the invitation.

CPC Delegation Meets With Hanoi Officials

BK0505145695 Hanoi VNA in English 1226 GMT 5 May 95

[FBIS Transcribed Text] Hanoi VNA May 5—A group of propaganda officials belonging to the Communist Party of China Central Committee is on a visit to Vietnam from May 4.

The Chinese party officials exchanged experience on propaganda work with senior officials of the Information and Education Department of the Hanoi party committee. They were received by Mr Luu Minh Tri, head of the said department. The two sides discussed measures relating to propaganda work for further strengthening the friendship and cooperation between the two peoples.

The Chinese guests visited a number of relics and cultural establishments in Hanoi before their tour of southern Vietnam.

Military To 'Firmly' Defend Territorial Waters

BK0705095095 Hanoi VNA in English 0617 GMT 7 May 95

[FBIS Transcribed Text] Hanoi VNA May 7—Defending firmly the territorial waters and islands in the East Sea [South China Sea] is an important part in Vietnam's strategic task of safeguarding its national independence, sovereignty and territorial integrity, said an article in the QUAN DOI NHAN DAN (PEOPLE'S ARMY) daily on Friday [5 May].

The article, run in anticipation of the 40th foundation day of the Vietnam People's Navy (May 7), praised the Navy's feats of arms in the two resistance wars against foreign invaders. Over the past 40 years, the Vietnamese Navy made a big contribution to the struggle for national independence and freedom, particularly in the fight against the enemy's air raids and harbour blockade in the north. The Navy was assigned to set up a 'Ho Chi Minh Trail on the sea' to transport military supplies to liberation fighters in the south and actively engaged in the spring 1975 general offensive which liberated the entire South Vietnam including Truong Sa (Spratly) Islands.

Vietnam has a costal line of 3,260 km. It has one million sq. Km of sea under its jurisdiction including two archipelagoes Hoang Sa, Parag Sa (Spratly) and a great number of other islands. Endowed with rich oil and other natural resources, Vietnam is expected to tap 7.7 million tonnes of crude oil this year and about 20-25 million tonnes by the year 2000.

Regarding the East Sea issue, during his talks in Seoul last month with South Korean president, party General Secretary Do Muoi said Truong Sa and Hoang Sa belong to Vietnam, and it wants to resolve the disputes through peaceful negotiations on the basis of equality, mutual respect and in line with the 1982 UN Convention on the Law of the Sea. He expressed his wish that joint efforts should be made to build Asia-the Pacific into a region of peace, stability, cooperation and prosperity.

For his part, President Le Duc Anh in a recent message to the inhabitants and soldiers on Truong Sa on the occasion of the 20th liberation day of the archipelago stressed that it is the country's sacred territory.

Vo Van Kiet Meets With Local Leaders

BK0505133395 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 4 May 95

[Report by Dinh Khai]

[FBIS Translated Text] Prime Minister Vo Van Kiet, Deputy Prime Minister Tran Duc Luong, and related ministerial officials held a conference at Thong Nhat Conference Hall in Ho Chi Minh City yesterday with leaders of the provincial people's committees of Nghe An, Thua Thien-Hue, Quang Nam-Da Nang, Dong Nai, and Can Tho and leaders of party committees and people's committees in the five second-class cities of Vinh, Hue, Danang, Bien Hoa, and Can Tho. The conference was held to review the implementation of temporary regulations issued by the prime minister on issues relating to the duty, power, and responsibility of people's committees in second-class cities on socioeconomic development and city management.

In the past, based on the prime minister's temporary regulations, the provincial people's committees of Can Tho, Dong Nai, and Nghe An issued decisions outlining the duty and power of city people's committees to create conditions for the city authority to set up active plans on socioeconomic development and city management. This has helped all five cities achieve an economic development rate of more than 11 percent—better than the development rate of the province where each is located. Annual state budget collection in the five cities has increased more than 30 percent per year. The infrastructure and technical bases have developed strongly, with more investment in public roads, street lighting, water supply, telephone services, environmental sanitation, and so forth.

Nevertheless, problems remain in the management of various local sectors, city planning, land and housing, transportation, construction, and so on. Most profitable public projects are controlled by the province, while unprofitable projects are entrusted to the local city. The cities still depend very much on the provinces. They have not been able to exploit their potential or strong points to develop their socioeconomy and city management actively, accelerate urbanization work, or be deserving of their central position in the region and the province. The quick acceleration of socioeconomic development in the second-class cities is an urgent and objective demand not only for the local provinces but for the entire region.

After this conference, the government will study structures and measures to define clearly the duty, power, and responsibility of the second-class city authorities in socioeconomic development and in such city management issues as land and housing, the construction of infrastructure and technical bases, education and medical services, social and cultural services, social order and safety, labor and employment, and so forth.

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